Supreme Court, U.S.
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No. ——

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1997

UNITED STATES EX REL. PAMELA A. BERGE,
Petitioner,

v.

UNITED STATES OF AMERICA,
Intervenor-Respondent,

and

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA AT BIRMINGHAM, ROBERT F. PASS, SERGIO B. STAGNO, CHARLES A. ALFORD, AND KAREN B. FOWLER,
Respondents.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

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PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. Whether courts reviewing challenges to the sufficiency of the evidence are permitted to rely upon evidence favorable to the movant even if it was controverted, impeached, or offered by an interested witness (as the Fourth Circuit below and other courts have held), or not (as the Sixth and Eighth Circuits have held).

2. Whether, under the civil False Claims Act, the materiality of a false statement is a question for the court or for the jury to decide.

3. Whether the Federal Copyright Act preempts all applications of state tort law protection against conversion of intangible intellectual property.

PARTIES

There are none other than the named parties herein.

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Petition for a Writ of Certiorari to the United States Court of Appeals for the Fourth Circuit

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PETITION FOR A WRIT OF CERTIORARI

Petitioner United States Ex Rel. Pamela A. Berge hereby petitions for a writ of certiorari to review the judgment and opinion of the United States Court of Appeals for the Fourth Circuit.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Fourth Circuit was entered on January 22, 1997,

is reported at 104 F.3d 1453, and is included in the Appendix at 1a-23a. The order of the Fourth Circuit denying the Petition for Rehearing and Suggestion for Rehearing in Banc was entered on March 25, 1997, is not reported, and is included in the Appendix at 54a-55a. The memorandum opinion and order of the United States District Court for the District of Maryland granting in part and denying in part respondents' motion for summary judgment is not reported, and is included in the Appendix at 24a-51a. The order of the District Court denying respondents' motion for judgment as a matter of law is not reported and is included in the Appendix at 52a-53a.

JURISDICTION

The opinion and judgment of the United States Court of Appeals for the Fourth Circuit was entered on January 22, 1997. The order of the United States Court of Appeals for the Fourth Circuit denying the Petition for Rehearing and Suggestion for Rehearing in Banc was entered on March 25, 1997. Chief Justice Rehnquist extended the time within which to file a petition for a writ of certiorari until July 23, 1997. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The pertinent text of the following constitutional and statutory provisions is set out in the Appendix at 56a-59a:

U.S. Constitution amend. VII;

Federal Rule of Civil Procedure 50;

The False Claims Act, 31 U.S.C. § 3729;

The Copyright Act, 17 U.S.C. §§ 102, 106, 301.

STATEMENT OF THE CASE

1. Since 1977, the University of Alabama at Birmingham ("UAB") has received a five-year annually renewable program project grant entitled "Perinatal Infections, Immunity and Maldevelopment" from the National Institutes of Health ("NIH") to study and characterize the natural history of cytomegalovirus ("CMV"), a member of the herpes virus family that can cause serious birth defects. J.A. 444, 1060. The grant was originally obtained by respondent Dr. Charles Alford of UAB's medical school, and significant work under the grant has been performed by respondent UAB professors and physicians Sergio Stagno and Robert Pass. App. 3a.

In 1986, petitioner Pamela Berge, then a doctoral student at Cornell University with extensive prior experience in epidemiological research (J.A. 230-33), chose to investigate for her dissertation risk factors for the *in utero* transmission of CMV and, given transmission, the impact of CMV infection on low birthweight of the newborn infant. J.A. 239-40, 801. After obtaining the approval of Dr. Stagno (J.A. 239-46, 1234-37), Dr. Berge arranged to spend February through August 1987 at UAB and to have access to UAB's original medical records and those of a private obstetrical practice and its affiliated hospital. J.A. 249, 255-57, 268-69, 841-42. At the end of her stay at UAB, she gave a detailed presentation to Drs. Stagno and Pass discussing the major aims of her dissertation, the databases resulting from her review of original medical records, and the statistical analyses she planned to do upon returning to Cornell University. J.A. 269-70.

Three months later, in November 1987, after she had returned to Cornell University to work on her dissertation, Dr. Stagno asked her to send him some of her research results for a paper he was writing. J.A. 278-79, 1369. Dr. Berge sent Dr. Stagno the data, but recommended that "this data should be cited as preliminary

results" by "P. Berge." J.A. 278-79, 1370. Then, in January 1988, Dr. Stagno asked for additional information, including an abstract of an epidemiological case control study that summarized preliminary research findings from a key part of Dr. Berge's dissertation. J.A. 1298. Dr. Stagno said he needed the information for a "report" that he was planning to write in April, and stated that his use of the data would not "in any way hurt [her] thesis." J.A. 1298. Dr. Berge again complied, and sent Dr. Stagno all of her work to date, including the abstract. J.A. 284, 1428. In March 1988, Dr. Berge gave another presentation at UAB that Drs. Stagno and Pass both attended. J.A. 289.

Also in March 1988, respondents were preparing, and submitted to NIH, their latest progress report (for "Year 12") required to continue their CMV program project grant. J.A. 1165-85. In that progress report, and unbeknownst to Dr. Berge, respondents chose to quote verbatim Dr. Berge's entire abstract reporting preliminary results from her case control study, without attributing the work to her. J.A. 288, 1168-69. Shortly thereafter, in June 1988, Dr. Pass suggested to a UAB graduate student, Karen Fowler, that she do her dissertation on sexually transmitted diseases as risk factors for *in utero* transmission of CMV, which she quickly agreed to do. J.A. 626-29. In June 1989, Dr. Pass suggested to Dr. Fowler that she examine Dr. Berge's dissertation, which had been accepted at Cornell the previous month and which Dr. Berge had sent to UAB at that time (J.A. 294-95), and Dr. Fowler did so. J.A. 690-92. Although Dr. Fowler later claimed that she only "glanced through" Dr. Berge's dissertation (J.A. 683-84), Dr. Fowler went on to prepare a dissertation that significantly plagiarized Dr. Berge's dissertation. J.A. 945-1058, 1074-77, 1384-1423.

No one at UAB ever told Dr. Berge about Dr. Fowler's work. She learned of it first-hand only in June 1990, at

an academic conference in Snowbird, Utah, where Dr. Fowler presented a paper on sexually transmitted diseases as risk factors for *in utero* transmission of CMV—risk factors also studied in Dr. Berge's dissertation. J.A. 300-05. Stunned by the obvious similarity of Dr. Fowler's work with her own, Dr. Berge, then an Assistant Professor of Epidemiology in the Department of Pediatrics at NYU Medical Center, immediately sought a copy of Dr. Fowler's just-completed dissertation, first from Dr. Stagno, then from Dr. Fowler, and then from Dr. Pass. J.A. 298, 303, 305-07, 703, 1380, 1491, 1507. Drs. Pass and Stagno responded to these requests with excuses, delay, and—when Dr. Berge persisted in her requests—with intimidating and retaliatory threats concerning her future career. J.A. 1249, 1300, 1368.

Determined to get the facts, Dr. Berge contacted UAB's Associate Dean for Academic Affairs, who finally did send her a copy of Dr. Fowler's dissertation and who promised to investigate. Although he eventually sent Dr. Berge a conclusory letter dismissing her concerns, he did not disclose to Dr. Berge that he had been a member of Dr. Fowler's thesis committee. J.A. 1495. After a plea from the Dean of the Graduate School at Cornell, UAB's Vice-President of Academic Affairs conducted a second investigation that also concluded that Dr. Berge's charges lacked merit. J.A. 340-41. That judgment, however, was partly based on Dr. Pass's written statement that Dr. Fowler could not have plagiarized Dr. Berge's work because she did not have access to Dr. Berge's dissertation. J.A. 1238-45. This was not true because, as Dr. Fowler would later admit, she had received Dr. Berge's dissertation from Dr. Pass himself. J.A. 690-92.

After reviewing Dr. Fowler's dissertation, Dr. Berge concluded that Dr. Fowler had replicated without attribution a substantial portion of Dr. Berge's major aim, research design, statistical methods, results, and conclusions—all in the same CMV study population (low income women)

that Dr. Berge had researched. Dr. Berge asked Dr. Linda Cowan, a professor of Biostatistics and Epidemiology at the University of Oklahoma to whom Dr. Berge had been introduced by the chairman of her department at NYU, for her opinion. In a letter to Dr. Berge dated March 19, 1991, Dr. Cowan concurred that Dr. Fowler's work was not original and that the significant overlap between the two works should have required Dr. Fowler to consult with, and to cite, Dr. Berge. J.A. 1074-77. Dr. Berge's worst fears were then fully confirmed when, in August 1991, the *Journal of Infectious Diseases* declined to publish her manuscript on risk factors for the *in utero* transmission of CMV because it had just published an article co-authored by Drs. Fowler and Pass on that topic. The Fowler/Pass journal article, like Dr. Fowler's dissertation, contained no attribution or citation to Dr. Berge's original research. J.A. 1266-71, 1383.

Realizing that Dr. Fowler had plagiarized her work with the support of UAB faculty members, Dr. Berge obtained through a Freedom of Information Act (FOIA) request copies of UAB's renewal grant application and progress reports for its NIH grant. App. 4a. She discovered that UAB repeatedly had made material false statements to NIH in its Year 11 renewal grant application and in its Years 12-14 progress reports submitted as part of the CMV grant.

First, in its Year 11 renewal grant application (submitted in September 1986), UAB falsely claimed that it had achieved "unified computerization" of its CMV data. J.A. 1227; Supp. J.A. 1540. Dr. Berge knew from her own experience in 1986 and 1987 that this was not true. At that time, those few CMV cases that UAB had entered into a computer database lacked key information necessary for anyone to conduct an epidemiological case control study without enormous new work and direction by someone, like Dr. Berge, experienced in epidemiological research techniques. J.A. 247-48, 255, 257, 1496-1500;

Supp. J.A. 1521. Dr. Berge spent seven months in Birmingham developing medical record abstraction forms, adding appropriate control groups, re-collecting and abstracting data from original medical records for both cases and controls, compiling data from a separate computerized obstetrical source (not a part of UAB's CMV study), overseeing the input of the data, and implementing quality control procedures. J.A. 255, 259-268, 272. It was not until she had finished this work, and until UAB had spent 900 hours entering Dr. Berge's data into its computerized research databases (J.A. 727) that UAB attained anything approximating "unified computerization."

In the following year's report (Year 12), Dr. Berge discovered that UAB had copied verbatim and without attribution to her the abstract reporting the preliminary results from her case control study. J.A. 1168-69.

Then, in its Year 13 report, UAB referred to Dr. Berge's research on CMV but failed to disclose those aspects of Dr. Berge's research findings that undermined one of UAB's principal research goals under its NIH grant: demonstrating the viability of using vaccination to prevent CMV infection. J.A. 774-79, 1188-89; Supp. J.A. 1540-43.

Finally, in Year 14, UAB presented Dr. Fowler's study of risk factors for *in utero* transmission of CMV as if it were their own original work (J.A. 1205), nowhere acknowledging that Dr. Fowler had replicated major portions of the risk factor work in Dr. Berge's dissertation, or that she had plagiarized Dr. Berge's original ideas, application of research methods, and work product (including her selection of medical and obstetrical risk factors, the medical record abstraction forms to gather the data, the adaptation of the case control method for this population, and the use of simple logistic and multiple logistic regression to analyze the data and obtain results). J.A. 1390-1423. The research aims and the adaptation of research methods to achieve the study results in this

specific CMV population was the novel aspect of Dr. Berge's work; it had never been done by any other researcher. J.A. 414; Supp. J.A. 1521. By including in its Year 14 report the abstract of Dr. Fowler's work, UAB continued to represent falsely to NIH the extent of UAB's expertise and accomplishments in epidemiology.

2. Dr. Berge filed a *pro se* complaint in January 1993 in the United States District Court for the District of Maryland. She brought the action on behalf of the United States as a relator under the *qui tam* provisions of the False Claims Act, 31 U.S.C. §§ 3729-33, against each of the respondents. Dr. Berge also brought several state law claims against the individual respondents, including a claim of conversion of intellectual property for having appropriated her research and used it without attribution. Concluding, on the basis of Dr. Berge's *pro se* complaint, that none of the respondents had committed a criminal violation, the government declined to prosecute Dr. Berge's suit on its own behalf. App. 5a. Nevertheless, in addition to Dr. Cowan, Dr. Walter Federer, a leading authority on statistical methods and research design, a distinguished Professor of Statistics at Cornell and for 30 years an NIH grant reviewer (Trial Tr. 1024-29, 1103-04; Supp. J.A. 1534), and Dr. Donald Armstrong, Chief of the Infectious Diseases Department at Memorial Sloan Kettering Cancer Center, a Professor of Medicine at Cornell University Medical College, and then the President-elect of the Infectious Disease Society of America, agreed to testify on petitioner's behalf.

The respondents filed a motion for summary judgment, which the district court denied as to the False Claims Act and conversion counts. With regard to the False Claims Act, the court held that:

> [t]his claim, for purposes of summary judgment, has been substantiated sufficiently. Taking into consideration Dr. Berge's testimony with that offered by

> her experts, the Court finds that a reasonable juror could find in favor of Dr. Berge. Indeed, there is enough evidence from which to conclude that UAB received funding through the use of Dr. Fowler's thesis which, allegedly, heavily plagiarized Dr. Berge's own work.

App. 35a. With respect to conversion, the court held that, under Alabama law, ideas and information may be the subject of conversion, and that Dr. Berge had demonstrated a material dispute of fact concerning the defendants' unlawful use of her intellectual property. App. 40a-42a.

At trial, Dr. Berge demonstrated that her work at UAB in 1987 had exposed as false UAB's claims to NIH of having achieved "unified computerization" of its data base on CMV and had provided a motive for UAB to claim credit for her work. J.A. 255-56; Supp. J.A. 1521. She then showed that UAB had proceeded to do just that in 1988 by first plagiarizing her abstract (J.A. 1168-69) and then recruiting a UAB graduate student to pursue closely related work. J.A. 945-1058, 1188-89; Supp. J.A. 1540-43.

Expert witnesses further substantiated the crucial allegations of plagiarism (central to both the False Claims Act and the conversion counts) and the materiality of that plagiarism to NIH. Dr. Cowan, in her written report, concluded that:

> there is clearly significant overlap in the aims of the studies, the data used, and the individuals included. The material I reviewed provide clear evidence that the work of Dr. Berge preceded that done by Dr. Fowler, but Dr. Fowler's dissertation does not acknowledge those results that had already been reported by Dr. Berge . . . nor the fact that Dr. Berge was responsible for the collection of large segments of the data set. It is my opinion that the fact that the major variables investigated . . . and the manner

> of control selection . . . were different do not make Dr. Fowler's dissertation an original piece of work given the degree of significant overlap described above, nor do they obviate the need to have consulted with and cited Dr. Berge.

J.A. 1074-77. Dr. Federer also testified that Dr. Fowler plagiarized Dr. Berge's work, noting, for example, that the Fowler/Pass article should have cited Dr. Berge's work no fewer than 17 times (Supp. J.A. 1535) and that when performing the multiple logistic regression in her dissertation, Dr. Fowler had put in the risk factors by name, not by letter, something that had virtually never been done before, except in Dr. Berge's paper. J.A. 526-27. Dr. Federer further testified that allegations of plagiarism, if proved or even suspected, were material to NIH and could result in the denial of funding. J.A. 553, 560. Dr. Federer supported this opinion by pointing to the extremely competitive nature of the NIH grant process (J.A. 560), a view with which other witnesses, including respondent Dr. Alford, concurred. J.A. 224-25, 416, 523. And Dr. Donald Armstrong, then President-elect of the Infectious Disease Society of America (J.A. 772), testified that Dr. Berge's research was "new," "very interesting," and had "scientific value" because, among other things, it would "urge investigators to be cautious about giving a live vaccine" to prevent transmission of CMV. J.A. 774, 776, 778-79.

Finally, Dr. Berge pointed to perhaps the most compelling evidence—respondents' repeated attempts to deny and cover up Dr. Fowler's plagiarism and their remorseless appropriation and mischaracterization of Dr. Berge's work to perpetuate their NIH grant and advance their careers. *E.g.*, J.A. 683-84, 690-92, 1238-45, 1249, 1300, 1368.

At the conclusion of the 10-day trial, the jury returned a verdict imposing liability on the False Claims Act count against respondents UAB, Alford, Pass, and Stagno and assessed damages against UAB in the amount of

$550,000, which the district court trebled pursuant to 31 U.S.C. § 3729(a). Dr. Berge recovered $498,000 on the False Claims count, representing 30% of the total recovery of the United States, the maximum to which she was entitled as a relator under 18 U.S.C. § 3730(d)(2). The court also exercised its discretion to impose the maximum civil penalty of $10,000 against the respondents. The jury also found the individual respondents liable for conversion of Dr. Berge's intellectual property, and awarded Dr. Berge $50,000 in compensatory damages and $215,000 in punitive damages. The trial court denied without opinion the respondents' motions for judgment as a matter of law and for a new trial. App. 5a-6a.

3. The respondents appealed to the United States Court of Appeals for the Fourth Circuit, which reversed the denial of respondents' motion for judgment as a matter of law with respect to both the False Claims Act and conversion of intellectual property claims. App. 23a.

With respect to the False Claims Act claim, the court stated that the materiality of the false statements is an issue "for the court" to decide. App. 12a. The court of appeals thus declined to extend to the civil context this Court's holding in *United States* v. *Gaudin*, 115 S. Ct. 2310 (1995), that materiality in the context of the criminal false statement statute, 18 U.S.C. § 1001, is a mixed question of law and fact that the jury must decide. See App. 10a-12a.

The court then held that, even if materiality were a jury question, there was insufficient evidence to support the jury's verdict that the statements at issue here were either false or material. See App. 12a-13a. Applying the standard of review common to many circuits—that the reviewing court may examine "all this evidence in the light most favorable" to the plaintiff (App. 17a)—the court discussed evidence and arguments why each of the four statements was not false or not material to NIH. See App. 13a-17a.

For example, with respect to Dr. Berge's core claim that UAB's Year 14 report to NIH falsely presented her work as that of UAB and Dr. Fowler, the court nowhere mentioned the testimony of Dr. Cowan, Dr. Federer, and Dr. Armstrong that Dr. Berge had done original work that Dr. Fowler had plagiarized and that UAB had misused in a way material to NIH. Instead, the court relied on a statement made in the government's brief on appeal, and on its own independent judgment (largely tracking that of respondents in their appeals brief) of why Dr. Berge's work was not sufficiently "original" to be the object of plagiarism. See App. 15a-16a; Br. of Appellants, at 36-39.

Finally, assessing the record as a whole, the court chastised Dr. Berge, an "unknown graduate student," for her "hubris" in bringing a lawsuit against "internationally-respected scientists" and for failing to understand "the way Big Science works":

> [W]e also decide that no reasonable jury could possibly conclude that a multi-million dollar grant, continually renewed over a period of more than a decade, undertaken by three internationally-respected scientists engaged, in part, in the collection of the world's leading database on CMV, would be reduced or eliminated due to UAB's lack of expertise in an area that could only be bolstered by the work of an unknown graduate student in nutritional sciences. . . . The hubris of any graduate student to think that such grants depend on the results of her work is beyond belief. That is not the way Big Science works. Assuming *arguendo* that all of Berge's allegations were true and UAB had made these false statements, it is hard to imagine that NIH's decision-making would have been influenced by them.

App. 16a-17a.

Turning to the Copyright Act, the court held that section 301(a) of the Act preempted Dr. Berge's state law

claim of conversion of intellectual property because the state cause of action lacked an "extra element beyond copyright infringement." App. 19a-21a. The court of appeals rejected petitioner's reliance on the Ninth Circuit's decision, in *G.S. Rasmussen & Assocs.* v. *Kalitta Flying Serv., Inc.*, 958 F.2d 896, 904 (9th Cir. 1992), *cert. denied*, 508 U.S. 959 (1993), that unauthorized use can supply the extra element necessary to save a conversion claim from copyright preemption, limiting *Kalitta* to its aeronautic facts. See App. 21a-22a. The court also held that Dr. Berge's claim to state protection from having others take credit for her ideas and research was preempted by the "general proposition [that] ideas are simply part of the public domain." *Id.*

REASONS FOR GRANTING THE PETITION

The courts of appeals continue to disagree over a legal standard of central importance to the administration of justice: the scope of review for challenges to the sufficiency of the evidence. Most courts purport to review "all" of the evidence in the light most favorable to the non-movant, but others exclude consideration, partially or entirely, of the movant's evidence. The conflict is long-standing. Justice White dissented from the court's denial of certiorari on this issue in 1982, and commentators today continue to recognize the conflict and to advocate for the minority position—the only view consistent with the Seventh Amendment's protection of the right to jury trial and prohibition of judicial re-examination of evidence.

The issue here is one of law, and it is straightforward. The weighing of evidence is for the jury, not the court. There is, accordingly, no reason for a court of appeals to consider *any* of the movant's evidence in connection with a challenge to the sufficiency of the evidence, except insofar as that evidence is uncontroverted, unimpeached, and sponsored by a disinterested witness, and therefore must have been believed by any reasonable jury. The correct

standard of review therefore should be whether the non-movant's evidence, viewed in the light most favorable to the non-movant and tempered only by such unfavorable evidence as the jury had to accept, is sufficient to support the jury's verdict.

The Court should not let this conflict languish any longer. By permitting the courts of appeals to examine "all" of the evidence, the Court is countenancing a legal regime in which appellate courts, consciously or not, end up substituting their weighing of the evidence for that of the jurors. No case could better illustrate the problem than this one. In overturning the jury's findings of liability and imposition of punitive damages, the court of appeals never addressed whether the extensive lay and expert testimony that petitioner submitted was sufficient to support that result. Instead, it presented respondents' side of the case (without once addressing whether respondents' evidence was uncontroverted), and then candidly offered its own view of what the record as a whole showed. In short, the court did exactly what the Seventh Amendment should be held to forbid.

This case is also important because the court of appeals' alternative rationale—that the question of materiality under the False Claims Act is an issue for the court rather than the jury to decide—is an important question that this Court expressly left open in *Gaudin* and that clearly should be resolved in favor of the jury. Finally, the Court should take the case to reject the lower court's overly expansive preemption of state tort law and resolve the confusion over proper application of the preemption clause of the Copyright Act.

I

The "disagreement" in the lower courts over the proper standard of review was already more than a decade old when Justice White dissented from the denial of certiorari in two cases in which different panels of the Second Circuit reversed jury findings of liability for insufficient

evidence.[1] In 1982, it was the practice of at least three circuits to consider "all of the evidence in a manner most favorable to the non-moving party" in reviewing a sufficiency challenge; one circuit considered "only evidence which supports the verdict winner"; and two others "follow[ed] a middle ground" of considering the movant's "uncontradicted, unimpeached evidence from disinterested witnesses" in addition to the non-movant's evidence. *Schwimmer*, 459 U.S. at 1009. Certiorari was warranted, Justice White observed, "[b]ecause the scope of review will often be influential, if not dispositive," of the result. *Id.*

The disagreement and confusion continue today. The majority of circuits, including the Fourth Circuit, usually take the view that a court may review *all* of the evidence.[2] Two circuits disagree. The Sixth Circuit has held that a court may *not* consider the evidence favoring the moving party, and must base its sufficiency of the evidence determination exclusively on evidence favoring the non-movant. See *Smelser* v. *Norfolk S. Ry.*, 105 F.3d 299, 306 (6th Cir. 1997), *petition for cert. filed*, 65 U.S.L.W.

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[1] *See Schwimmer* v. *Sony Corp.*, and *Venture Tech., Inc.* v. *National Fuel Gas Distrib. Corp.*, 459 U.S. 1007, 1009 (1982) (White, J., dissenting) (citing and updating Wright & Miller's 1971 discussion of the "three different approaches to determining whether evidence is sufficient to create a jury issue").

[2] *See, e.g.*, App. at 17a ("Reviewing all this evidence in the light most favorable to Berge"); *Dragon* v. *Rhode Island Dep't of Mental Health, Retardation & Hosps.*, 936 F.2d 32, 36 (1st Cir. 1991); *Kirschner* v. *Office of the Comptroller of New York*, 973 F.2d 88, 92 (2d Cir. 1992); *Walter* v. *Holiday Inns, Inc.*, 985 F.2d 1232, 1238 (3d Cir. 1993); *Mattern* v. *Eastman Kodak Co.*, 104 F.3d 702, 705 (5th Cir. 1997); *Lester* v. *Resolution Trust Corp.*, 994 F.2d 1247, 1253 (7th Cir. 1993); *Central Office Tel., Inc.* v. *American Tel. & Tel. Co.*, 108 F.3d 981, 993 (9th Cir. 1997); *Downie* v. *Abex Corp.*, 741 F.2d 1235, 1238 (10th Cir. 1984); *Harris* v. *Chapman*, 97 F.3d 499, 505 (11th Cir. 1996), *cert. denied*, 65 U.S.L.W. 3798 (U.S. June 2, 1997) (No. 96-8753); *Richardson* v. *Richardson-Merrell, Inc.*, 857 F.2d 823, 827 (D.C. Cir. 1988).

3827 (U.S. June 4, 1997) (No. 96-1949).[3] The Eighth Circuit generally follows what Justice White called the "middle ground," permitting consideration of the evidence favoring the movant only insofar as that evidence is uncontradicted, unimpeached, and provided by a disinterested witness. See *Caudill* v. *Farmland Indus., Inc.*, 919 F.2d 83, 86 (8th Cir. 1990); *Dace* v. *ACF Indus., Inc.*, 722 F.2d 374, 377 n.6 (8th Cir. 1983).

The matter is further confused because the practice within circuits is not consistent. For example, several of the circuits cited above as proponents of the majority rule have, on occasion, also endorsed the middle ground.[4] Conversely, the Eighth Circuit, in one instance, seemingly has questioned its prior adoption of the middle ground in favor of the Sixth Circuit approach.[5] Moreover, both the Sixth and Eighth Circuits have also followed (without explanation) the "all evidence" rule.[6] Finally, some courts simply purport to review "the evidence" without specifying whether they mean all of the evidence or only some subset.[7]

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[3] *See also Aparicio* v. *Norfolk & W. Ry.*, 84 F.3d 803, 807 (6th Cir. 1996).

[4] *See, e.g., Harbor Ins. Co.* v. *Schnabel Found. Co.*, 946 F.2d 930, 935 (D.C. Cir. 1991); *County of Suffolk* v. *Long Island Lighting Co.*, 907 F.2d 1295, 1314 (2d Cir. 1990); *St. Paul Fire & Marine Ins. Co.* v. *Vaughn*, 779 F.2d 1003, 1008 (4th Cir. 1985); *cf. Karelitz* v. *Damson Oil Corp.*, 820 F.2d 529, 530 (1st Cir. 1987) (looking to plaintiff's evidence and "*at least* such of defendant's uncontradicted and unimpeached evidence as, under all the circumstances, the jury virtually must have believed") (emphasis added).

[5] *See Butler* v. *French*, 83 F.3d 942, 943 (8th Cir. 1996) ("[a]ssuming, without holding," that its previous statement of the middle ground is appropriate).

[6] *See Cook* v. *American S.S. Co.*, 53 F.3d 733, 740 (6th Cir. 1995); *Curtis* v. *Electronics & Space Corp.*, 113 F.3d 1498, 1502 (8th Cir. 1997).

[7] *See, e.g., Katz* v. *City Metal Co.*, 87 F.3d 26, 28 (1st Cir. 1996); *LeBlanc-Sternberg* v. *Fletcher*, 67 F.3d 412, 429 (2d Cir. 1995),

Prominent commentators have endorsed the middle ground rule generally followed by the Eighth Circuit, and for good reason.[8] It is the province solely of the jury to weigh credibility and controverted evidence. Because the only evidence favoring the movant that satisfies the rule—uncontradicted, unimpeached evidence from a disinterested witness—is evidence that the jury is compelled to believe, this approach avoids impermissible judicial weighing of the evidence. See Wright & Miller § 2529, at 299-300. A judgment as a matter of law may be granted, and a verdict may be overturned, only if "there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue." Fed. R. Civ. P. 50(a); App. 56a. If, after the verdict has been rendered, a trial or appellate court concludes that the result is against the manifest weight of the evidence, the proper result is a new trial under Rule 59, not judgment as a matter of law under Rule 50. See *Byrd v. Blue Ridge Rural Elec. Coop., Inc.*, 356 U.S. 525, 540 (1958); Wright & Miller § 2531, at 302. The appropriate scope of review under Rule 50, therefore, is limited to the evidence favoring the non-movant, together with only that portion, if any, of the movant's evidence that the jury had to accept as a matter of law.

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cert. denied, 116 S. Ct. 2546 (1996); *McDaniels* v. *Flick*, 59 F.3d 446, 453 (3d Cir. 1995), *cert. denied*, 116 S. Ct. 1017 (1996); *Manzer* v. *Diamond Shamrock Chems. Co.*, 29 F.3d 1078, 1081 (6th Cir. 1994).

[8] *See* 9A Charles Alan Wright & Arthur R. Miller, *Federal Practice & Procedure* § 2529, at 298-300 (2d ed. 1994) (endorsing Eighth Circuit rule because "[s]tatements that all of the evidence is to be considered are too broad. Unfavorable evidence that contradicts the favorable evidence must be disregarded as must evidence that is admitted for a limited purpose, such as impeachment") (footnote omitted); Edward H. Cooper, *Directions for Directed Verdicts: A Compass for Federal Courts*, 55 Minn. L. Rev. 903, 953 (1971)

Although this Court has never definitively foreclosed the majority approach, a number of prior decisions strongly point to a rejection of the "all-evidence" rule. In *Wilkerson* v. *McCarthy*, 336 U.S. 53 (1949), the Court stated that "[i]t is the established rule that in passing upon whether there is sufficient evidence to submit an issue to the jury we need look *only* to the evidence and reasonable inferences which tend to support the case of a litigant against whom a peremptory instruction has been given."[9] Although some lower courts have attempted to limit *Wilkerson* on the grounds that it established rules of decision applicable only in Federal Employers' Liability Act (FELA) cases,[10] others construe its holding as a generally applicable rule,[11] and it is doubtful that the Court could set forth a broader role for the jury in FELA cases than the role required by the Constitution. See Wright & Miller § 2526, at 281-82. And the Court has

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("[The all evidence] approach seems inappropriate. The effect, whatever the form of statement, is an intrusion on the credibility function inconsistent with the jury's recognized freedom to reject all testimony which is contradicted directly or by reasonable inference, and to credit any testimony which is not preposterous.").

[9] *Id.* at 57 (emphasis added); *see Berry* v. *United States*, 312 U.S. 450, 456 (1941) ("There was evidence from which a jury could reach the conclusion that petitioner was totally and permanently disabled. That was enough."); *see also Andersen* v. *Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986) ("[A]t the summary judgment stage the judge's function is not himself to weigh the evidence and determine the truth of the matter but to determine whether . . . there is sufficient evidence favoring the nonmoving party for a jury to return a verdict for that party.").

[10] *See, e.g., Boeing Co.* v. *Shipman*, 411 F.2d 365, 370-75 & n.16 (5th Cir. 1969).

[11] *See, e.g., Aparicio* v. *Norfolk & W. Ry.*, 84 F.3d 803, 807 (6th Cir. 1996) (noting some FELA-specific rules but discussing the rule preventing consideration of the non-movant's evidence as a general one); *Dace* v. *ACF Indus., Inc.*, 722 F.2d 374, 377 & n.6 (8th Cir. 1983) (citing *Wilkerson* in support of a general rule governing sufficiency of the evidence cases).

repeatedly held that "it would be an undue invasion of the jury's historic function for an appellate court to weigh the conflicting evidence, judge the credibility of witnesses and arrive at a conclusion opposite from the one reached by the jury." *Lavender* v. *Kurn*, 327 U.S. 645, 652-53 (1946); *see Tennant* v. *Peoria & P. U. Ry.*, 321 U.S. 29, 35 (1944); *Berry* v. *United States*, 312 U.S. at 453.

This case presents an ideal vehicle for this Court finally to resolve this longstanding circuit controversy for three reasons. First, the erroneous choice of standard plainly affected the result below. The Fourth Circuit clearly followed the majority rule and did not cabin its consideration of the evidence favoring the movant to such evidence that was uncontroverted, unimpeached, and provided by a disinterested witness.[12] At the same time, the court simply ignored much of petitioner's case—never once mentioning, for example, the expert testimony that she proffered concerning UAB and Dr. Fowler's plagiarism of her work and the materiality of misrepresentations about that plagiarism to NIH. See App. 13a, 15a-16a. Finally, the court concluded with a frank but constitutionally impermissible assessment of what it believed the evidence as a whole amounted to: the "hubris" of "an unknown graduate student" to challenge "internationally-respected scientists." App. 16a-17a. Under the rules of the Sixth or Eighth Circuit, as well as the rule of other courts that periodically have endorsed the middle ground, none of this would have been permitted. To the contrary,

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[12] *See, e.g.*, App. 13a (drawing inferences favorable to respondent from NIH program officer's controverted testimony); *id.* (citing Government's appeal brief); *id.* at 15a-16a (relying on evidence favoring the view—specifically controverted by petitioner's experts—that Dr. Fowler did not plagiarize Dr. Berge's work because the hypothesis and conclusion in the two works were different); *cf. id.* at 5a (emphasizing a government report that the district court had refused to admit into evidence).

in those courts, petitioner's extensive expert evidence of plagiarism and its materiality to NIH would easily have been found sufficient to support the verdict.

Second, the temptation for courts to supplant the jury's fact-finding role may be especially great in cases involving technical or scientific disputes. This case provides an opportunity for the Court to underscore that, while certain recent decisions permit courts to shape how science-based cases are presented to the jury, see, *e.g.*, *Markman* v. *Westview Instruments, Inc.*, 116 S. Ct. 1384 (1996); *Daubert* v. *Merrell Dow Pharmaceuticals, Inc.*, 509 U.S. 579 (1993), these decisions do not allow courts to re-examine the evidence. And reaffirmance of the continuing vitality of the re-examination clause would be particularly timely now given the Court's recent decision in *Gasperini* v. *Center for Humanities, Inc.*, 116 S. Ct. 2211 (1996), to uphold the widespread practice of federal appellate review of jury damage verdicts for excessiveness—a practice that was "once deemed inconsonant with the Seventh Amendment's re-examination clause." *Id.* at 2223; see *id.* at 2231-32 (Scalia, J., joined by Rehnquist, C.J., and Thomas, J., dissenting) (setting forth Court's nineteenth-century prohibition of such review).

Third, the civil False Claims Act is a particularly apt context for resolving the proper scope of review. Some 40 years ago, the Court recognized its "obligation to effectuate the present congressional intention [to secure the right to a jury determination] by granting certiorari to correct instances of improper administration of the [FELA] and to prevent its erosion by narrow and niggardly construction." *Rogers* v. *Missouri Pac. R.R.*, 352 U.S. 500, 509 (1957); see also *Wilkerson*, 336 U.S. at 68-71 & App. (concurring opinion) (citing cases). Here, too, Congress amended the False Claims Act in 1986 to "correct restrictive interpretations of the act's liability standard, burden of proof, *qui tam* jurisdiction and other provisions in order to make the False Claims

Act a more effective weapon against Government fraud." S. Rep. No. 99-345, at 4 (1986), *reprinted in* 1986 U.S.C.C.A.N. 5266, 5269. The Fourth Circuit's use of an incorrect procedural standard to deprive a *qui tam* relator of a jury verdict against a major government-funded institution will certainly discourage other citizens from coming forward, thereby undercutting Congress's express efforts to strengthen the False Claims Act as a vigilant weapon against government fraud.

II

This case further warrants review because the Fourth Circuit erroneously invaded the province of the jury also by holding that the materiality of false statements in civil cases is a question for the court rather than the jury to decide. This important question was expressly left open by this Court in *United States* v. *Gaudin*, 115 S. Ct. 2310 (1995), is an alternative ground for the lower court's decision on the False Claims Act claim (and thus must be addressed in connection with the first question presented herein), and should now be resolved. The Fourth Circuit, relying upon *Kungys* v. *United States*, 485 U.S. 759 (1988), declined to extend to the civil context *Gaudin*'s holding that materiality under the criminal false statement statute is a jury question. See App. 10a-12a. The lower court erred both because the key principles that underlie the decision in *Gaudin* apply directly to the civil False Claims Act, and because *Gaudin* expressly repudiated the only case on which *Kungys* relied. See *Gaudin*, 115 S. Ct. at 2314.

First, in *Gaudin* the Court observed that materiality poses the "sort of question . . . commonly called a 'mixed question of law and fact,' [that] has typically been resolved by juries." *Id.* This historical tradition is equally true of civil cases; indeed, in *Gaudin* the Court cited cases and

authorities exclusively from the civil context to support its analysis of the materiality inquiry.[13]

Second, the Court observed that the materiality determination was properly one for the jury because it is dependent upon "at least two subsidiary questions of purely historical fact." *Id.* at 2314. The fact-intensive nature of determining materiality is not transformed merely because the statutory sanction for presenting a false claim to the government is civil rather than criminal.[14] For example, under the civil False Claims Act, determining whether NIH would consider the false statements presented by petitioner's complaint to be material to its funding decision requires an assessment of NIH's decision-making process, the individuals responsible for making funding decisions, and the principal factors that might be relevant to that decision. The need to resolve such factual disputes, and to consult the "judgment of [those] who are

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[13] *See Gaudin*, 115 S. Ct. at 2314-15 (citing *TSC Indus., Inc.* v. *Northway, Inc.*, 426 U.S. 438, 450 (1976) (holding that materiality in the securities fraud context is a jury question because it involves "delicate assessments of the inferences a 'reasonable shareholder' would draw from a given set of facts and the significance of those inferences to him"); *McLanahan* v. *Universal Ins. Co.*, 26 U.S. (1 Pet.) 170, 188 (1828); J. Thayer, A Preliminary Treatise on Evidence at Common Law 194, 249-250 (1898)); *see also Chandris, Inc.* v. *Latsis*, 515 U.S. 347, 369 (1995) (assuming reasonable persons could disagree, the jury should determine the mixed question of seaman status under the Jones Act); *McDermott Int'l, Inc.* v. *Wilander*, 498 U.S. 337, 356 (1991) (noting the necessarily fact-specific nature of the seaman status inquiry).

[14] Although the Court observed in *Gaudin* that "civil and criminal juries' required roles are obviously not identical," *Gaudin*, 115 S. Ct. at 2317, it did so in rejecting the government's efforts to use a nineteenth-century civil case, in which the plaintiff received a directed verdict on materiality, in order to establish a court's authority in the criminal context to determine materiality in favor of the prosecution. *See id.* Of course, a court's authority to direct a verdict on materiality does not justify a general rule that materiality under the False Claims Act is always a question for the court.

conversant with the subject" matter of the decision at issue, makes the determination of materiality "in no sense judicially cognisable as matter of law." *McLanahan* v. *Universal Ins. Co.*, 26 U.S. (1 Pet.) 170, 188 (1828).

Third, just as the Sixth Amendment's requirement that criminal convictions rest on jury determinations of each element of the crime dictated the holding in *Gaudin*, see *Gaudin*, 115 S. Ct. at 2313, so does the Seventh Amendment reinforce the need for preserving materiality as a question for juries under the civil False Claims Act. Courts may not, consistent with the Seventh Amendment, resolve the "subsidiary questions of purely historical fact," *Gaudin*, 115 S. Ct. at 2314, that precede the ultimate materiality determination. See *Byrd* v. *Blue Ridge Rural Elec. Coop., Inc.*, 356 U.S. 525, 537 (1958). As the Fourth Circuit's decision illustrates, it is extremely difficult as a practical matter for a court to confine its decision to the ultimate materiality determination. See, *e.g.*, App. 13a (determining that petitioner's work was not "central" to UAB's project and therefore not material to NIH); *id.* at 16a-17a (asserting that the research of unknown graduate students is immaterial to the workings of "Big Science"). *Gaudin*'s extension to the civil context would ensure that other courts do not dispute the jury's role as factfinder in an effort to provide factual justifications for their materiality rulings. *Cf. Scheuer* v. *Rhodes*, 416 U.S. 232, 249 (1974) (criticizing the lower courts for taking judicial notice of "mob rule" at a university without offering petitioners an opportunity to contest the facts).

Fourth, this Court's decision in *Kungys* v. *United States*, 485 U.S. 759 (1988) does not dictate a contrary result. *Kungys*'s holding that the "materiality requirement under . . . statutes dealing with misrepresentations to public officers" is one for the court to decide, *id.* at 772, was premised on this Court's decision in *Sinclair* v. *United States*, 279 U.S. 263 (1929)—a decision that *Gaudin* explicitly repudiated. See *Gaudin*, 115 S.Ct. at 2318-19.

Kungys's authority after *Gaudin* is thus significantly eroded. After *Gaudin*, it would seem that *Kungys*'s materiality ruling, if not confined to denaturalization cases, remains controlling at most for appellate review of nonjury proceedings. See *Gaudin*, 115 S. Ct. at 2319. Thus, the Court should grant the petition to clarify that *Kungys* has not displaced the traditional role of juries in evaluating the materiality of alleged false statements.

III

Finally, the Court should grant this petition to resolve the divergence in the lower courts over how to apply the explicit preemption provisions of the Copyright Act to state law claims of conversion of intellectual property. Although the Fourth Circuit's "extra element" test led to preemption of petitioner's conversion claim, the Ninth Circuit's approach, as explicated in *G.S. Rasmussen & Assocs.* v. *Kalitta Flying Serv., Inc.*, 958 F.2d 896 (9th Cir. 1992) (Kozinski, J.), conforms more closely to the Copyright Act and would have permitted petitioner to retain her state law recovery. The Court should unify the federal courts' administration of the Copyright Act's preemption provisions so that state law remedies are not extinguished arbitrarily depending on the federal forum in which the plaintiff files suit.

The essence of petitioner's conversion claim is that Drs. Stagno, Pass, Alford, and Fowler unlawfully used Dr. Berge's scientific ideas and application of research methods for their own professional advancement without attributing authorship of those ideas and methods to Dr. Berge. This occurred both when the respondents included Dr. Fowler's plagiarized abstract in the Year 14 progress report, and when Drs. Pass and Fowler published their 1991 article in the *Journal of Infectious Diseases*. In the world of academic research, credit for original ideas and the unique application of methods to a problem is key not only to obtaining grants for further research but to demonstrating that one has the knowledge and ability to

make a continuing original contribution to the field. Respondents' illegal use of petitioner's intellectual property, which the district court below found to be actionable under Alabama state law (see App. 40a-42a; *National Sur. Corp.* v. *Applied Sys., Inc.*, 418 So.2d 847, 850 (Ala. 1982)), significantly harmed Dr. Berge's professional career. J.A. 434-35, 1383.

Under the plain language of the Copyright Act's express preemption provisions, the Fourth Circuit's decision to preempt petitioner's state law conversion claim was incorrect. Section 301(a) of the Copyright Act preserves state laws unless each of three criteria are met.[15] Although the court below erred with respect to the third criterion,[16] it is the first that best highlights the need for this Court's review.

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[15] The state law in question must: (1) protect "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified in section 106"; (2) protect legal rights in "works of authorship that are fixed in a tangible medium of expression"; and (3) protect legal rights in a work of authorship that "come[s] within the subject matter of copyright as specified by sections 102 and 103." 17 U.S.C. § 301; App. 59a.

[16] The Fourth Circuit erred because petitioner's claim involved a subject matter—her research ideas and methods—that does not "come within the subject matter of copyright as specified by sections 102 and 103." 17 U.S.C. §§ 102, 301; App. 57a-59a; *see* Paul Goldstein, *Copyright* §§ 15.2.3, 15.9.1.2 (1996); *Lattie* v. *Murdach*, No. C-96-2524-MHP, 1997 WL 33803, at *4 (N.D.Cal. 1997); *Whitfield* v. *Lear*, 582 F. Supp. 1186, 1189 (S.D.N.Y.), *rev'd on other grounds*, 751 F.2d 90 (2d Cir. 1974); *Bromhall* v. *Rorvik*, 478 F. Supp. 361, 367 (E.D.Pa. 1979). Although the plain text of the Copyright Act's express preemption provisions should end the analysis, *see Cipillone* v. *Liggett Group, Inc.*, 505 U.S. 504, 517 (1992), the constitutional limits on Congress's power to extend copyright protection to facts and ideas also suggest that Congress lacks authority to prevent states from affording such protection. *See Feist Publications, Inc.* v. *Rural Tel. Serv.*, 499 U.S. 340, 346-49 (1991) (Congress's limited constitutional authority under Article I, § 8, cl. 8 precludes Congress from extending copyright protection to facts and ideas); Melville B. Nimmer & David Nimmer, *Nimmer*

With respect to the first criterion—whether the rights protected by petitioner's conversion claim were "equivalent" to exclusive Copyright Act rights under section 106 [17]—the Fourth Circuit applied the so-called "extra element" test. App. 19a-21a. Under this test, a state claim escapes preemption *only* if violation of the state law is predicated formally upon a legal element beyond the elements constituting copyright infringement.[18] If the state cause of action contains no additional, qualitatively different, element, and the state-created right "*may* be abridged by an act which, in and of itself, would infringe one of the exclusive rights" listed in section 106, the test dictates that the state law be preempted. *Harper & Row, Publishers, Inc.* v. *Nation Enters.*, 723 F.2d 195, 200 (2d Cir. 1983) (emphasis added), *rev'd on other grounds*, 471 U.S. 539 (1985).

Although it necessarily is true that a state cause of action requiring proof of an "extra element" protects legal rights that are not equivalent to section 106 rights, that limited conclusion is the only conclusion that the "extra element" test permits. A state cause of action that contains no such extra element can nevertheless proscribe a set of conduct, and protect a set of rights, that is greater than, although inclusive of, the conduct and rights pro-

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on Copyright §§ 1.01[B][2][a], [b] (1995) (constitutional requirement of a "Writing[]" by an "Author[]" precludes Congress from preempting state protection for unfixed works and facts). Because the states did not cede authority to Congress to legislate with respect to ideas and methods, the states retain the authority to do so—consistent with other constitutional limits—as part of their reserved powers.

[17] Section 106 of the Act protects the right of reproduction, preparation of derivative works, distribution, performance, and display. *See* 17 U.S.C. § 106; App. 59a.

[18] *See* App. 19a, 20a n.4; *see also, e.g., Data Gen. Corp.* v. *Grumman Sys. Support Corp.*, 36 F.3d 1147, 1164-65 (1st Cir. 1994); *Computer Assocs. Int'l, Inc.* v. *Altai, Inc.*, 982 F.2d 693, 716-17 (2d Cir. 1992); *Gates Rubber Co.* v. *Bando Chem. Indus.*, 9 F.3d 823, 847-48 (10th Cir. 1993).

scribed and protected by the Copyright Act. Rather than focusing on the elements of the cause of action, the Copyright Act directs courts to determine, on the facts of each case, (1) whether the state law provides the plaintiff a right not available under federal law and, if so, (2) whether enforcement of that right would interfere with the goals of the Copyright Act.

The Ninth Circuit wisely applied this rule in *Kalitta*, and thus reached a preemption determination more consistent with the Copyright Act than it would have reached under the formalistic "extra element" test. In *Kalitta*, the Ninth Circuit held that the Copyright Act does not preempt a conversion claim predicated on a plaintiff's right to use intellectual property, as distinguished from a plaintiff's exclusive right to copy such property. See *Kalitta*, 958 F.2d at 904. Because the plaintiff was complaining about a third party's use of plaintiff's property "as a shortcut in obtaining a valuable government privilege," the court found that the violation of state law was predicated on conduct distinguishable from mere copying and therefore was not preempted. *Id.* Moreover, the state conversion law escaped preemption because plaintiff had not claimed any state law right to limit the ability of third parties to copy his work, and thus allowing his claim to go forward would not interfere with the operation of the federal copyright laws. See *id.*

Despite the fact that *Kalitta* identified a specific, state-created legal right distinguishable from copyright infringement, application of the Fourth Circuit's "extra element" test would have preempted the state claim. This is so because claims for conversion of intellectual property do not require proof of an additional legal element beyond copyright infringement.[19] The Ninth Circuit avoided this

[19] Under the "extra element" test, conversion claims escape preemption only if they involve conversion of tangible physical property, because only such claims require the plaintiff to demonstrate the extra, qualitatively different, element of physical deprivation. *See,*

erroneous result by focusing on the particular conduct from which the plaintiff was seeking relief, and the particular legal right that the state law, applied to the facts of the case, protected. The Fourth Circuit's unconvincing attempt to distinguish *Kalitta* on its facts (see App. 21a) led the court to overlook *Kalitta*'s implicit rejection of the "extra element" test as a suitable measure of equivalent legal rights.

Respondents' deliberate misuse of petitioner's intellectual property without attributing authorship to petitioner is precisely the kind of "unauthorized use" that, under *Kalitta*, renders a state law conversion claim outside of the Copyright Act's preemptive reach. First, because section 106 of the Copyright Act does not protect a right of attribution (see Paul Goldstein, *Copyright* § 15.24.2 (1996)), a conversion claim predicated on protection of this right is not equivalent to a right protected exclusively by the Copyright Act. Second, permitting this state law remedy will not interfere unduly with operation of the Copyright Act because petitioner is not arguing that respondents were prohibited from copying or using her ideas and methods. See *id.*

There is, accordingly, no sound basis for the lower court's conclusion that the right against conversion protected by Alabama law is "equivalent" to any of the

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e.g., App. 19a-20a; *Oddo* v. *Ries*, 743 F.2d 630, 635 (9th Cir. 1984). However, if the state conversion law affords protection against unlawful use of intangible intellectual property, and thus does not require a showing of physical deprivation to state a claim, courts erroneously conclude that the law operates to proscribe copyright-infringing conduct and thus is preempted. *See, e.g., Taquino* v. *Teledyne Monarch Rubber*, 893 F.2d 1488, 1501 (5th Cir. 1990); *Harper & Row*, 729 F.2d at 201. Thus, current copyright preemption of state conversion claims turns arbitrarily on whether the property converted is tangible or intangible and not, as Congress instructed, on the qualitative nature of the legal rights protected by the state law.

exclusive rights under the Copyright Act. The court should therefore grant the petition to reject the misleading "extra element" test and restore the copyright preemption clause to its proper scope.

CONCLUSION

For the reasons stated above, the Court should grant the petition.

Respectfully submitted,

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July 23, 1997

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APPENDICES

APPENDICES

APPENDIX A

UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

No. 95-2811

UNITED STATES OF AMERICA, ex rel. PAMELA A. BERGE,
Plaintiff-Appellee.

and

UNITED STATES OF AMERICA,
Intervenor,

v.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA; ROBERT F. PASS, Professor of Pediatrics; SERGIO B. STAGNO, Professor and Chairman, Department of Pediatrics; CHARLES A. ALFORD, Professor of Pediatrics; KAREN B. FOWLER,
Defendants-Appellants.

AMERICAN COUNCIL ON EDUCATION; THE AMERICAN ASSOCIATION OF STATE COLLEGES & UNIVERSITIES; THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES; AMERICAN ASSOCIATION OF COMMUNITY COLLEGES; COUNCIL OF GRADUATE SCHOOLS; THE REGENTS OF THE UNIVERSITY OF MINNESOTA; THE UNIVERSITY OF TEXAS SYSTEM; THE UNIVERSITY OF COLORADO; THE REGENTS OF THE UNIVERSITY OF CALIFORNIA; THE REGENTS OF THE UNIVERSITY OF MICHIGAN; ASSOCIATION OF AMERICAN MEDICAL COLLEGES; EUGENE DONG., M.D., J.D.; ROBERT L. SPRAGUE, M.D., Ph.D.; JEFFREY F. WILLIAMS, B.V.Sc., M.R.C.V.S., Ph.D.; TAXPAYERS AGAINST FRAUD, THE FALSE CLAIMS ACT LEGAL CENTER,

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Amici Curiae.

Appeal from the United States District Court
for the District of Maryland, at Baltimore
Edward S. Northrop, Senior District Judge

(CA-93-158-N)

Argued: December 4, 1996
Decided: January 22, 1997

Before ERVIN and WILKINS, Circuit Judges, and MICHAEL, Senior United States District Judge for the Western District of Virginia, sitting by designation

OPINION

ERVIN, Circuit Judge:

Defendants-Appellants appeal from a denial of their motion for judgment as a matter of law following a jury verdict awarding the United States, after trebling and the imposition of a civil penalty, $1.66 million, 30% of which ($498,000) is to be awarded to Relator-Appellee Pamela A. Berge (Berge), on a False Claims Act claim, and awarding Berge $265,000 in compensatory and punitive damages on a pendent state law claim for conversion of intellectual property. We reverse.

I.

At the time the events at issue occurred, Pamela Berge was a doctoral candidate in nutritional sciences at Cornell University. The individual Defendants-Appellants Sergio Stagno, Charles Alford, and Robert Pass were medical researchers and professors at Defendant-Appellant The University of Alabama at Birmingham (UAB). Defendant-Appellant Karen Fowler was a doctoral candidate at UAB supervised by Pass.

Scientists at UAB have been studying cytomegalovirus (CMV), the most common infectious cause of birth defects, since 1971, and over the years have accumulated the leading database on maternal and congenital CMV in the world. A significant part of the funding for this research has been provided by grants from the National Institutes of Health (NIH), in particular grant HD-10699, "Perinatal Infections, Immunity and Maldevelopment Research Program Project," administered by NIH's National Institute of Child Health and Human Development (NICHD). This grant is renewable every five years, with years 11 to 15 relevant to this case. Alford was the principal investigator for this project, although Stagno and Pass were closely associated with it. All three are internationally recognized as leading authorities on CMV.

Berge decided to do her dissertation on CMV as a possible cause of low birth weight. She arranged access to and extensive assistance with UAB's database through Stagno, and she worked closely with Stagno and his colleagues while she was in residence as a visiting graduate student at UAB from February to August 1987. After Berge returned to Cornell, she resisted others' attempts to use the collected data and began to complain about Cornell faculty members, including her thesis chairman. She made three further trips to Birmingham during which she made presentations of her work. She completed her thesis in May 1989 and received her Ph.D. Berge thereafter attempted to publish papers based on her thesis, but she was rejected repeatedly by *Journal of the American Medical Association, Epidemiology,* and *Journal of Infectious Diseases.*

In the meantime, Defendant-Appellant Fowler decided in June 1988 to do her dissertation on the relationship between CMV and sexually-transmitted diseases and began working with Pass. After Fowler had begun her data analysis, based in part on UAB's existing database and in

part on original medical records, she consulted completed theses, including Berge's, to choose a format. She defended her dissertation in May 1990. The following month, Fowler presented her research at a meeting of the Society of Epidemiological Research. Berge was in the audience and became shocked at what she considered to be plagiarism of her own work by Fowler.

Berge brought her allegations to Stagno's attention but did so in such a way that ultimately Stagno and his colleagues determined they could no longer collaborate with her. Two investigations of the allegations were conducted at UAB, but the allegations were found to be baseless. Unsatisfied with these results, as well as those produced from the other avenues she pursued, Berge next obtained copies of UAB's grant applications through a Freedom of Information Act (FOIA) request and then brought this litigation.

As the basis for her *qui tam* action under the False Claims Act, 31 U.S.C. §§ 3729-3733, Berge alleged that UAB had made false statements to NIH in its annual progress reports under its grant. In particular, these false statements were that (1) UAB misled NIH in year 11 about the amount of data that had been computerized; (2) UAB had included an abstract of Berge's work in year 12 without mentioning her name, thereby overstating UAB's competence and progress in epidemiology; (3) UAB, although including Berge's name on the abstracts in years 13 and 14, had "submerged" her research so that serious questions about one of UAB's central theses would not be noticed; and (4) UAB misled NIH in year 15 by including abstracts of Fowler's work which plagiarized Berge's. Although Berge also alleged a number of pendent state claims, only the conversion of intellectual property is at issue on this appeal.

After this action was filed, the government naturally investigated to determine whether it would choose to prose-

cute the matter on its own behalf. The Office of the Inspector General (OIG) of the Department of Health and Human Services conducted such an investigation and recommended that no action be taken. Its report stated:

> This investigation, which has involved the interview of NICHD grant officials, interview of University officials, and the examination of documents of relator, NICHD and the University of Alabama, has found no evidence that the subjects committed a criminal violation in connection with grant applications or progresss reports submitted to the Government. Information has been obtained however, which shows *many of the assumptions behind the relator's allegations to be in error or exaggerations of the truth.*

J.A. at 179 (emphasis added). The government accordingly declined to become involved in the litigation below pursuant to 31 U.S.C. § 3730. This OIG report was never submitted into evidence at trial. The parties make various contentions as to why this is so and whether the district court abused its discretion in failing to allow it. Given our disposition of this case, we do not reach this issue.

After a ten-day jury trial, the jury returned a verdict in favor of Berge, finding False Claims Act liability against all defendants except Fowler but assessing damages only against UAB in the amount of $550,000. Pursuant to 31 U.S.C. § 3729(a), this amount was trebled to $1.65 million, and the district court imposed a civil file of $10,000 against all the defendants, jointly and severally, except Fowler. Pursuant to § 3730(d)(2), the district court awarded Berge as relator 30% of the United States' total recovery, or $498,000. The jury also found the four individual defendants liable for conversion of intellectual property in differing amounts, imposing a total of $50,000 in compensatory damages and $215,000 in punitive damages. The district court, without opinion, denied defend-

ants' motions for judgment as a matter of law and a new trial. This appeal followed.

II.

Berge instituted the action below under the False Claims Act, 31 U.S.C. §§ 3729-3733. Subject matter jurisdiction of the district court was thus based on the federal question statute, 28 U.S.C. § 1331. Supplemental jurisdiction over the pendent state law claims was pursuant to 28 U.S.C. § 1367. This appeals arises from a final judgment below, and thus we possess appellate jurisdiction under 28 U.S.C. § 1291.

Normally that would end our jurisdictional inquiry, but the defendants and various *amici* raise issues concerning the constitutionality of the False Claims Act, whether *qui tam* relators possess standing, and whether state instrumentalities can be held liable pursuant to the Act under the Eleventh Amendment, especially in light of *Seminole Tribe v. Florida*, 134 L. Ed. 2d 252 (1996). None of these issues were raised below, but to the extent they partake of jurisdictional matters, we may properly consider them. Because we reverse on the facts of this case, we naturally see no need to reach the issue of the constitutionality of the Act itself. We do, however, briefly address why we consider the general issue of standing to be unproblematic, why the government, as the real party in interest, possesses standing under the facts of this case, and why *Seminole* does not change our view that Eleventh Amendment immunity is a red herring in these circumstances.

We have previously held that the "United States is the real party in interest in any False Claims Act suit, even where it permits a *qui tam* relator to pursue the action on its behalf." *United States ex rel. Milam v. University of Tex. M.D. Anderson Cancer Ctr.*, 961 F.2d 46, 50 (4th Cir. 1992). Although *Milam* arose in the pre-*Seminole* context of a claim of Eleventh Amendment immunity, which was denied since states may be sued in federal court

by the United States, we see *Milam* as resolving the general issue of standing in this circuit. The Seventh Circuit has concluded that "[o]nce we accept the premise that the United States is the real plaintiff in a *qui tam* action, it stands to reason that challenges to the standing of the government's representative are beside the point." *United States ex rel. Hall v. Tribal Dev. Corp.*, 49 F.3d 1208, 1213 (7th Cir. 1995). Similarly, the Ninth Circuit has analyzed extensively whether the *qui tam* provisions of the False Claims Act conflict with Article III or violate the principle of separation of powers, the Appointments Clause, or the Due Process Clause, points which various *amici* raise again here, and our sister circuit concluded they do not. *United States ex rel. Kelly v. Boeing Co.*, 9 F.3d 743, 747-60 (9th Cir. 1993), *cert. denied*, 510 U.S. 1140 (1994). That court has recently affirmed its rejection of these same arguments in *United States ex rel. Schumer v. Hughes Aircraft Co.*, 63 F.3d 1512, 1520-21 (9th Cir. 1995), *cert. granted in part*, 117 S. Ct. 293 (U.S. Oct. 15, 1996), and we note that the Supreme Court has granted *certiorari* to consider, *inter alia*, whether the lower courts erred "in asserting jurisdiction over this action under *qui tam* provisions of FCA." 65 U.S.L.W. 3283, 3292 (U.S. Oct. 15, 1996). Although we would not hazard to predict what the Supreme Court may do in *Schumer* or whether it will even reach the question on which *certiorari* was granted, given that our disposition reverses the liability of the defendants *in toto*, we decline to enter into a long disquisition on the standing issue.

However, it must be admitted that, notwithstanding a *qui tam* relator's general standing as the government's representative, the government, as the real party in interest, must still have suffered an injury in fact. *See Lujan v. Defenders of Wildlife*, 504 U.S. 555 (1992). *Amicus* Association of American Medical Colleges contends that Berge lacks standing because the United States suffered no injury in fact, as evidenced by the OIG report. We find this argument meritless. In the first place, the OIG report

was more concerned with possible criminal violations, which would put the Government to a higher burden of proof than in a civil action as here. Second, and most importantly, the plain language of the Act clearly anticipates that even after the Attorney General has "diligently" investigated a violation under 5 U.S.C. § 3729, the Government will not necessarily pursue all meritorious claims; otherwise there is little purpose to the *qui tam* provision permitting private attorneys general. *Cf. id.* at § 3730(a) ("If the Attorney General finds that a person has violated or is violating section 3729, the Attorney General *may* bring a civil action under this section against the person." (emphasis added)) *with id.* at § 3730(c)(3) ("If the Government elects not to proceed with the action, the person who initiated the action *shall have the right* to conduct the action." (emphasis added)); *see also United States ex rel. McGough v. Covington Techs. Co.*, 967 F.2d 1391, 1397 (9th Cir. 1992) (stating that "[t]o hold that the government's initial decision not to take over the *qui tam* action is the equivalent of its consent to a voluntary dismissal of a defendant with prejudice would require us to ignore the plain language of § 3730(b)(1)"). The OIG report is not an admission by the United States that it has suffered no injury in fact, but rather it amounts to a cost-benefit analysis. Here the Government surmised—and, as we decide this case, it turns out rightly—that the costs of proceeding on Berge's claims outweighed the anticipated benefits. Finally, we note that injury in fact is not to be judged *post hoc*. The logical outcome of *amicus's* position is that any losing plaintiff-relator would not have possessed standing in the first place. In this context, it is worth noting that the district court determined in a lengthy memorandum that Berge's allegations of false statements were sufficient to overcome a motion for summary judgment. *See United States ex rel. Berge v. Board of Trustees of the Univ. of Ala.*, Civil No. N-93-158 (D. Md. filed Mar. 14, 1995), at 9-14.

As a final jurisdictional matter, we recognize that no court has yet considered the interposition of the Eleventh Amendment to the False Claims Act in the wake of *Seminole*. *Amici* Regents of the University of Minnesota et al. make an interesting case that the False Claims Act was not intended to apply to the states, which they think takes on added significance post-*Seminole*. *Amici* American Council on Education et al. also suggest we need to take another look at Eleventh Amendment immunity in the *qui tam* context. We disagree. *Seminole*'s relevant holding here is its reconfirmation that Congress must use unequivocal statutory language if it intends to *abrogate* the sovereign immunity of states in suits brought by and for private parties. *Seminole*, 134 L. Ed. 2d at 266. But as we already said in *Milam*, this is a non-issue in the False Claims Act context. *Milam*, 961 F.2d at 50 n.3. There is simply no question of abrogation of immunity here. *Seminole* certainly left intact what is beyond purview: that the federal government may sue states in federal court. *Seminole*, 134 L. Ed. 2d at 276 n.14 (citing *United States v. Texas*, 143 U.S. 621, 644-45 (1892), for the proposition that such power is necessary to the "permanence of the Union"); *see also West Virginia v. United States*, 479 U.S. 305, 311 (1987). The United States is the real party in interest. The Act itself states that the "action shall be brought in the name of the Government." 5 U.S.C. § 3730 (b)(1). We affirm our reasoning in *Milam*: "[T]he states have no Eleventh Amendment immunity against the United States *ab initio*. Therefore, there is no reason Congress would have displaced it in the False Claims Act." *Milam*, 961 F.2d at 50 n.3.

III.

Turning to the merits, appellants assign at least seven points of error to the district court below. We reach only three of them in reversing the entire judgment below: the lack of materiality to the government's funding decisions of the alleged false statements; the insufficiency of the evi-

dence that appellants even made false statements to the government, as merged into the first issue on the False Claims Act claim; and the preemption, by federal copyright law, of the state law conversion of intellectual property claim.[1] We address the materiality and insufficiency of evidence issues in this section and the preemption issue in the next section.

The civil False Claims Act provides in relevant part:

> (a) Any person who—
>
> > (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government: . . .
>
> is liable to the United States Government for a civil penalty of not less than $5,000 and not more than $10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person . . . .

31 U.S.C. § 3729(a). We have previously suggested that the civil False Claims Act requires a materiality element. *See United States v. Snider*, 502 F.2d 645, 652 n.12 (4th Cir. 1974) (construing the FCA's predecessor statute, 31 U.S.C. § 231). If previously unclear, we now make explicit that the current civil False Claims Act imposes a materiality requirement. *See also Tyger Constr. Co. v. United States*, 28 Fed. Cl. 35, 55 (1993) ("[T]he FCA covers only those false statements that are material.").

On this materiality issue, however we must initially determine whether the issue is to be properly decided by the court. In the context of the *criminal* false statements

[1] The other four assignments of error are that the district court failed to set aside a flawed damages award on the False Claims Act claim since the verdict was inconsistent, the court abused its discretion by excluding the OIG report, the court erred in its instructions on the state law claim, and there was insufficient proof of conversion.

statate, 18 U.S.C. § 1001, we had previously held that materiality is a question of law whose test is "whether the false statement has a natural tendency to influence agency action or is capable of influencing agency action." *United States v. Norris,* 749 F.2d 1116, 1122 (4th Cir. 1984) (citations omitted), *cert. denied,* 471 U.S. 1065 (1985). In the criminal context, that holding can no longer stand as a result of *United States v. Gaudin,* 132 L. Ed. 2d 444 (1995). In *Gaudin,* a unanimous Court held that the materiality of false statements was an element of the crime under 18 U.S.C. § 1001 to which a defendant has a constitutional right under the Fifth and Sixth Amendments for a jury to determine guilt beyond a reasonable doubt. *Id.* at 458. Berge's expansive interpretation that *Gaudin*'s rationale must apply even in civil cases where there is a right to jury trial under the Seventh Amendment is unwarranted. The Court expressly declined to reach that issue, stating that "the courts' power to resolve mixed-law-and-fact questions in civil cases is not at issue here: civil and criminal juries' required roles are obviously not identical, or else there could be no directed verdicts for civil plaintiffs." *Id.* at 454; *see also id.* at 460 (stating that the "Court properly acknowledges that other mixed questions of law and fact remain the proper domain of the trial court") (Rehnquist, C.J., concurring). Moreover, the Court refused to overrule its unanimous opinion in *Kungys v. United States,* 485 U.S. 759 (1988), a civil denaturalization case, that the "materiality requirement under . . . statutes dealing with misrepresentations to public officers" is one for the court,[2] *id.* at 772 (citations omitted), since the constitutional ramifications were different. *Gaudin,* 132 L. Ed. 2d at 458.

In addition, we have already indicated our reluctance to construe *Gaudin* broadly. *See, e.g., United States v.*

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[2] Although the Court was split on the judgment, the Court was unanimous in the opinion that materiality was a question for the court.

Daughtry, 91 F.3d 675, 675 (4th Cir. 1996) (stating that "*Gaudin* held *only* that in prosecutions for violations of [18 U.S.C.] § 1001, the element of materiality must be submitted to the jury" (emphasis added)); *see also United States v. Klausner*, 80 F.3d 55, 61 (2d Cir. 1996) (holding that even in some criminal contexts materiality remains a purely legal question after *Gaudin*). Thus, in light of our earlier determination that the materiality of false statements is a legal question and of our inclination not to give an expansive interpretation to *Gaudin*, we hold that in the context of the civil False Claims Act the determination of materiality, although partaking of the character of a mixed question of fact and law, is one for the court. *See also United States ex rel. Butler v. Hughes Helicopter Co.*, No. CV 89-5760 SVW, 1993 U.S. Dist. LEXIS 17844, at *43-44 (C.D. Cal. Aug. 25, 1993) (holding that the materiality of false statements under the False Claims Act is a legal question for the court), *aff'd on other grounds*, 71 F.3d 321 (9th Cir. 1995). Moreover, we see no reason to depart from the test we enunciated in *Norris*, even though the remainder of its holding cannot stand post-*Gaudin*, that is, the materiality of the false statement turns on "whether the false statement has a natural tendency to influence agency action or is capable of influencing agency action." *Norris*, 749 F.2d at 1122; *see also Kungys*, 485 U.S. at 770 (recognizing that a "misrepresentation is material if it has a natural tendency to influence, or was capable of influencing, the decision of the decisionmaking body to which it was addressed" (internal quotation marks omitted)).

In any event, even the *Gaudin* Court acknowledged that there always remains as a threshold question of law whether the case for materality is "so weak that no reasonable juror could credit it." *Gaudin*, 132 L.Ed. at 454. In the instant case, our *de novo* review, *see, e.g., Benedi v. McNeil-P.P.C., Inc.*, 66 F.3d 1378, 1383 (4th Cir. 1995) ("We review a denial of a motion for judgment as a matter of law *de novo*," (citation omitted)), of the alleged false

statements plainly shows they were not material to NICHD's funding decisions, and, furthermore, are so lacking in materiality, indeed, are not even false, that no reasonable jury could have so found.

As a general matter, NICHD's program officer with responsibility for UAB's grant testified that Berge's contributions were not central to UAB's project and that the progress reported by UAB was satisfactory for a recommendation of continued funding without Berge's contribution. As even the government notes in its brief as intervenor on appeal, "NICHD determined that the information Berge alleged was false or misrepresented was not material to its funding decisions." Br. of United States as Intervenor at 34.

More particularly, Berge's assertion of UAB's alleged misstatement concerning the extent of computerization in year 11 is belied by the fact that information on upwards of 20,000 patients had been computerized by that time. Even accepting Berge's assertion that only 124 cases of congenitally-infected babies were computerized, that fact is irrelevant to the greater computerization effort, and, moreover, is one fully consistent with Berge's own dissertation claim that congenital infection affects only 0.2%-2.4% of all live births. Furthermore, the program officer testified that the principal purpose of the project was the collection of data, not its computerization. Thus, not only did UAB not mislead NIH about the extent of computerization, but UAB fully reported the number of subjects of the project every year and thereby complied with NIH's expectation on the collection of data. In fact, the program officer stated that UAB's data collection "is considered to be the largest single source of information on maternal and congenital CMV in the world." J.A. at 1510.

Second, the year 12 omission of Berge's name from an abstract submitted as part of the progress report cannot possibly be material. In the first place, NIH did not even

require the inclusion of her name, or anyone's name. There can only be liability under the False Claims Act where the defendant has an obligation to disclose omitted information. *United States ex rel. Milam v. Regents of the Univ. of Calif.*, 912 F. Supp. 868, 883 (D. Md. 1995). More importantly, the abstract itself was included, and was required to be included, because Stagno appeared on the abstract as a co-author. Berge expended considerable effort in attempting to convince us, both in her briefs and at oral argument, that the jury properly found this failure to attribute the abstract to her and obtain her permission to use it was a material false statement. The report, in fact, did not attribute the abstract to any of its authors; it simply "abstracted" the study for the purpose of reporting on project activity. Under federal copyright law, Stagno, as co-author, is a coowner of copyright in the work. *See* 17 U.S.C. § 201(a). Coowners are treated as tenants in common with each coowner having an undivided, independent right to use the work, subject only to a duty of accounting for profits to other coowners. *See* H.R. Rep. No. 1476, 94th Cong., 2d Sess., at 121 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5736; *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061 (7th Cir. 1994). Thus it was perfectly proper for Stagno to use the abstract as he did, and that use therefore is not a false statement, let alone a material one capable of affecting NIH's funding decision.

Third, Berge's claim of the "submergence" of her work in the progress reports for years 13 and 14 is inexplicable. In each year's progress report, fully half of the discussion of activity under Specific Aim # 1 of Project 1 is given over to quoting in full from Berge's abstracts, with attribution. If Berge's work supported the hypothesis that there was a downside risk to a live vaccine, the development of which she claims was a central goal of UAB's project, then it was incumbent upon her to note that implication in her work, which she did not. The omission is her own

fault, not UAB's. An *ex post facto* realization of the possible importance of this implication cannot support a charge of falsity at the time the report was submitted. Moreover, NIH's expectation that only the abstract would be included in the progress report cannot form the basis for liability for an omission in any event. While it is true that the reports mistakenly referred to Berge as a "post-doctoral graduate student from the Department of Biostatistics" at Cornell, *see* J.A. at 1188, 1202, when, in fact, she was in year 13 a doctoral candidate in nutritional sciences and by year 14 had obtained her Ph.D., no reasonable jury could conclude that such trivial errors were materially capable of influencing NIH's funding decision.

As to Berge's final asserted false statement by UAB, that NIH was misled by including an abstract of Fowler's work in year 15, which allegedly plagiarized Berge's own work and about which plagiarism UAB knew, the evidence is patently clear that there was no plagiarism by Fowler and thus no false statement by UAB. The government itself points out that "none of the scientific or administrative bodies to which [Berge] complained found that Fowler had plagiarized Berge's work." Br. of United States as Intervenor at 5. As Berge herself concedes, "Ms. Fowler's ultimate hypothesis and conclusions were different from [mine]." Br. of Appellee at 19. But if the hypothesis and conclusions were different, what was plagiarized? Certainly not independently-obtained data sets extracted from UAB's own collection; nor the case control method, one of the most frequently-used research designs in epidemiology; nor the textbook statistical methodologies employed; nor the risk factors, derived from the scientific literature, commonly used in perinatal studies; nor even the organization of Fowler's and Berge's tables which do nothing more than reflect UAB's own clinic forms. None of these "ideas" were original to Berge, and thus none of these could have been taken by Fowler from Berge and passed off as her

own. The ideas that were original to Berge were her hypotheses and conclusions concerning the relationship between CMV infection and low birth weight, but these ideas are concededly different from Fowler's hypotheses and conclusions concerning the relationship between sexually-transmitted diseases and maternal CMV infection. As the Public Health Service's Office of Research Integrity has determined, plagiarism does not include credit disputes. *See* 3 ORI Newsletter 3 (Office of Research Integrity, U.S. Public Health Service, Dec. 1994). But once the surface is scratched, there is nothing to Berge's claim except her complaint that Fowler did not give Berge's work the notice she felt she deserved. If that be scientific misconduct, it is far too attenuated to any federal right for us, or any federal court, to decide.

Berge also makes much of the fact that the year 15 review had to be performed three times before UAB could allegedly get its grant renewed. Indeed, she claims it is "difficult to imagine a more concrete demonstration of the materiality of the false statements." Br. of Appellee at 29. However, the record clearly shows that the first review had to be rejected because of a conflict of interest by one of the reviewing scientists, and the second had to be rejected because it impermissibly had access to the first review. The third review was thus the only clean review, and it recommended funding the project. Thus Berge's most concrete demonstration of materiality rests on no foundation whatsoever.[3]

In addition to this allegation by allegation analysis that demonstrates the lack of materiality, as well as the lack of falsity, of the statements, we also decide that no reasonable jury could possibly conclude that a multi-million dollar grant, continually renewed over a period of more than a

[3] Moreover, Berge totally ignores the fact that, at the time of trial, well after all of Berge's allegations had been repeatedly probed, NIH continued to fund UAB under the grant.

decade, undertaken by three internationally-respected scientists engaged, in part, in the collection of the world's leading database on CMV, would be reduced or eliminated due to UAB's lack of expertise in an area that could only be bolstered by the work of an unknown graduate student in nutritional sciences—work that, when reviewed by independent scientists at peer-reviewed journals, was determined to be "scarcely comprehensible," J.A. at 1489, "extremely difficult to read and even more difficult to evaluate," J.A. at 1486, and so cavalier in its design and conduct as to induce great skepticism in "any findings reported from it," J.A. at 1489. The hubris of any graduate student to think that such grants depend on the results of her work is beyond belief. That is not the way Big Science works. Assuming *arguendo* that all of Berge's allegations were true and UAB had made these false statements, it is hard to imagine that NIH's decision-making would have been influenced by them.

Reviewing all this evidence in the light most favorable to Berge, it is abundantly clear that substantial evidence upon which the jury could have found for Berge is lacking. *See Benedi v. McNeil-P.P.C., Inc.*, 66 F.3d 1378, 1383 (4th Cir. 1995) (citation omitted). Her evidence amounts at most to a scintilla, which is insufficient to sustain the verdict. *See Trandes Corp. v. Guy F. Atkinson Co.*, 996 F.2d 655, 660 (4th Cir.), *cert. denied*, 510 U.S. 965 (1993). At best, Berge fails on her burden of showing materiality; at worst, she cannot even show the statements were false. In either case, judgment as a matter of law is appropriate for appellants on the False Claims Act claim since Berge has "failed to make a showing on an essential element of [her] case with respect to which [s]he had the burden of proof." *Singer v. Dungan*, 45 F.3d 823, 827 (4th Cir. 1995) (internal quotation marks and citation omitted). We reverse the judgment below on the False Claims Act claim in its entirety.

IV.

We turn now to the claim of conversion of intellectual property under Alabama law. The Alabama conversion statute provides:

> The owner of personalty is entitled to possession thereof. Any unlawful deprivation of or interference with such possession is a tort for which an action lies.

Ala. Code § 6-5-260. Whether federal copyright law preempts a state law claim is a question of law that we review *de novo*, *Rosciszewski v. Arete Assocs., Inc.*, 1 F.3d 225, 229 (4th Cir. 1993).

Berge's conversion claim in this instance is clearly preempted by federal copyright law. Section 301(a) of the Copyright Act provides in pertinent part:

> [A]ll legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified in section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103 . . . are governed exclusively by this title. [After January 1, 1978], no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

17 U.S.C. § 301(a). We have recently held that the statute thus sets up a two-prong inquiry to determine when a state law claim is preempted: first, the work must be "within the scope of the 'subject-matter of copyright' as specified in 17 U.S.C. §§ 102, 103," and second, "the rights granted under state law" must be "equivalent to any exclusive rights within the scope of federal copyright as set out in 17 U.S.C. § 106." *Rosciszewski*, 1 F.3d at 229 (quotation marks and citation omitted).

There can be no doubt that Berge's work—her dissertation, to which she herself affixed a copyright mark; her abstracts; her drafts, etc.—falls within the scope of the subject-matter of copyright. All of these written works are clearly "original works of authorship fixed in a[] tangible medium of expression." 17 U.S.C. § 102(a). Berge's argument that her conversion claim is not preempted because it is her "ideas and methods," which are specifically excluded from copyright protection, *see id* at § 102(b), that have been converted rests on a fallacious interpretation of the Copyright Act. In other words, Berge wants to argue that ideas embodied in a work covered by the Copyright Act do not fall within the scope of the Act because the Act specifically excludes them from protection. But scope and protection are not synonyms. Moreover, the shadow actually cast by the Act's preemption is notably broader than the wing of its protection.

The second prong of the preemption test is satisfied unless there is an "extra element" that changes the nature of the state law action so that it is "*qualitatively* different from a copyright infringement claim." *Rosciszewski*, 1 F.3d at 229-30 (emphasis in original) (internal quotation marks and citation omitted); *see also Trandes Corp. v. Guy F. Atkinson Co.*, 996 F.2d 655, 659-60 (4th Cir.), *cert. denied*, 510 U.S. 965 (1993). It is hornbook law that a "state law action for conversion will not be preempted if the plaintiff can prove the extra element that the defendant unlawfully retained the physical object embodying plaintiff's work." Paul Goldstein, Copyright, Patent, Trademark and Related State Doctrines 777 (3d ed. 1993) (quoting Paul Goldstein, Copyright (1989)); *see also* Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 1.01[B](1)(i) (1995) ("The torts of conversion and trespass relate to interference with tangible rather than intangible property . . . ."). However, § 301(a) will preempt a conversion claim "where the plaintiff alleges only the unlawful retention of its intellectual property rights and not the unlawful retention of the tangible object em-

bodying its work." Goldstein, *supra*, at 777; *see Dielsi v. Falk*, 916 F. Supp. 985, 992 (C.D. Cal. 1996) (holding that a claim for conversion of a television script was preempted since there was no extra element to the essential claim that the ideas were misappropriated); *compare Patrick v. Francis*, 887 F. Supp. 481, 482, 484 (W.D.N.Y. 1995) (holding a conversion claim preempted where the action actually sought to recover for unauthorized copying of the work, concepts, and ideas of a research paper), *with Oddo v. Reis*, 743 F.2d 630, 635 (9th Cir. 1984) (conversion of tangible property not preempted). It could hardly be clearer that Berge's conversion claim is preempted. We have already dismissed Berge's argument that her "ideas and methods" are not within the scope of copyright's protection or preemption as to the first prong. *See supra*. As to the second prong, what is crucial is that Berge makes no claim that appellants converted any tangible objects embodying her intellectual property.

Berge attempts to salvage her conversion claim first by claiming that Alabama recognizes the conversion of intangible property and, second, by claiming that the extra element is unauthorized use.[4] She must founder on both at-

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[4] We summarily reject Berge's additional arguments that the extra element in this conversion claim may be supplied by (1) the severe harm she suffered as a result of appellants' alleged "scooping" of her work, i.e. publishing her ideas before she could do so herself, that in turn led to the rejection of her work by academic journals and thence to the ruin of her career, and (2) breach of trust in her relationship with Stagno. We find these to be facially implausible as extra elements to a conversion of intellectual property claim in thees circumstances. Berge cites no authority for the proposition that severity of harm has any effect on copyright preemption. We decline to erode the preemption provisions of the Copyright Act. The evidence is abundantly clear that Berge's work did not merit publication on the basis of its quality alone, notwithstanding any possibility that she had been "scooped."

To support her claim that breach of trust provides the extra element, Berge cites *Sargent v. American Greetings Corp.*, 588 F. Supp. 912 (N.D. Ohio 1984). But *Sargent* held only that a claim

tempts. Although the Alabama Supreme Court has held that "[i]n appropriate circumstances, intangible personal property can be converted." *National Sur. Co. v. Applied Sys., Inc.*, 418 So.2d 847, 850 (Ala. 1982), it was a specific computer program that was converted there, at a time when the manner of the applicability of copyright law to computer programs was unclear. If *National Surety* holds only that intellectual property may be converted in particular circumstances, then it is unexceptional. However, if it holds that such intellectual property can be converted without an extra element beyond copyright infringement, then it must be repudiated as contrary to the Copyright Act under the Supremacy Clause.

Perhaps recognizing the weakness of that reed, Berge also grasps onto *G.S. Rasmussen & Assocs. v. Kalitta Flying Serv.*, 958 F.2d 896 (9th Cir. 1992), *cert. denied*, 508 U.S. 959 (1993). But *Kalitta* only held that a conversion claim did not run afoul of copyright preemption where an unauthorized copy of a Supplemental Type Certificate from the Federal Aviation Administration had been used improperly to obtain an airworthiness certificate from the FAA. *Id.* at 904. In distinguishing *Kalitta*, the Fifth Circuit properly recognized in *Daboub v. Gibbons*, 42 F.3d

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for breach of confidential relationship was not preempted by the Copyright Act, not that a claim qualitatively the same as a copyright infringement claim could be made into one qualitatively different from it if it involved a breach of confidential relationship. *Id.* at 923-24. The tort for breach of confidential relations involves a wholly different proof scheme than the tort of conversion, and Berge was not required for purposes of her conversion claim to show any such breach, nor did she. Cases that find breach of trust important are ones involving claims whose core consists of a breach—such as trade secret cases—and cases where the cause of action requires that breach of confidentiality or the like be shown. *See, e.g., Avtec Sys., Inc. v. Peiffer*, 21 F.3d 568, 574 (4th Cir. 1994); *Rosciszewski*, 1 F.3d at 230; *Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1549 (11th Cir. 1996); *Data General Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1164-65 (1st Cir. 1994).

285 (5th Cir. 1995), that where the core of the state law theory of recovery, as in conversion, goes to wrongful copying, in its case, the plagiarism of an entire song, it is preempted. *Id.* at 289. Recognizing the broad and absolute preemption of § 301, "stated in the clearest and most unequivocal language possible, so as to foreclose any conceivable misinterpretation of its unqualified intention that Congress shall act preemptively, and to avoid the development of any vague borderline areas between State and Federal protection." H.R. Rep. No. 1476, 94th Cong., 2d Sess. (1976) *reprinted in* 1976 U.S.C.C.A.N. 5659, 5746, the *Daboub* court concluded that "if the language of the act could be so easily circumvented, the preemption provision would be useless, and the policies behind a uniform Copyright statute would be silenced." *Id.* at 290 & n.8. Berge's charge of plagiarism and lack of attribution can only amount to, indeed, are tantamount to, a claim of copyright infringement, for Berge has certainly not been prevented from using her own ideas and methods. *See Garrido v. Burger King Corp.*, 558 So.2d 79, 82 (Fla. Dist. Ct. App. 1990) (holding that where the gravamen of a conversion claim was the unauthorized taking or use of ideas, the elements of the claim were not qualitatively different from copyright infringement).

Berge complains that if the Copyright Act's idea-expression dichotomy, *see* 17 U.S.C. § 102(b), and § 301's preemption provision be read this way, then there is "no legal remedy for the theft of [my] intellectual property. Intellectual property which can be stolen without fear of legal punishment ceases to be property." Br. of Appellee at 41. But what Berge fails to realize is that, as a general proposition, ideas are simply part of the public domain. *See, e.g., Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 979-80 (2d Cir.) (holding that, in non-fiction works, since facts, themes, and research "have been deliberately exempted from the scope of copyright protection to vindicate the overriding goal of encouraging

contributions to recorded knowledge, the states are preempted from removing such material from the public domain"), *cert. denied*, 449 U.S. 841 (1980); *see also* Nimmer and Nimmer, *supra*, at § 16.01 (stating that "[t]he concept that ideas are 'free as air' is of ancient origin, and is well rooted in our jurisprudence" (footnotes omitted)). It is not that this form of intellectual property ceases to be property, rather it is just not intangible personality. *See, e.g., Richter v. Westab, Inc.*, 529 F.2d 896, 902 (6th Cir. 1976) ("The law does not favor the protection of abstract ideas as the property of the originator."). Berge wants to fence off the commons, but the only part she may rightly claim is the original expression of her ideas fixed in a tangible medium. The law recognizes her stake there and accords it copyright protection.

Berge's conversion claim is preempted by federal copyright law. We therefore reverse the judgment below on this claim in its entirety.

V.

For the foregoing reasons, we hold that the district court erred when it improperly denied appellants' motion for judgment as a matter of law, both as to Berge's False Claims Act claim and to her conversion claim. The judgment of the district court is therefore

REVERSED.

APPENDIX B

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND

Civil No. N-93-158

UNITED STATES OF AMERICA,
EX REL. PAMELA BERGE,
Plaintiffs,

v.

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ALABAMA, *et al.*,
Defendants.

MEMORANDUM

Presently pending before the Court for resolution is Defendants' Motion for Summary Judgment. Plaintiff has filed an Opposition, and Defendants have filed a Reply thereto. This motion was supplemented, pursuant to the Court's instruction, after Plaintiff's Motion for Leave to Amend the Complaint was granted. *See* Court's Memorandum and Order of February 1, 1995, at 2 n.1; Court's Order of February 6, 1995. Additional Opposition and Reply briefs have been submitted.[1] No hearing is necessary at this time. Local Rule 105.6 (D. Md. 1992, as amended 1994).

For the reasons set forth below, Defendant's motion shall be granted in part and denied in part.

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[1] The Court will refer to the original motion for summary judgment as "MSJ" and the supplement thereto as "SMSJ."

I. *Factual Background*

This action generally involves allegations of false claims, fraud, and plagiarism asserted by Plaintiff-Relator Dr. Pamela Berge against various defendants with whom she came into contact for a period of approximately eight months beginning in early 1987. At that time, Dr. Berge was a Cornell University graduate student involved in the study of infections, specifically, cytomegalvirus ("CMV"), a member of the herpes virus. She arrived at the University of Alabama's ("UAB"), Department of Pediatrics in early 1987 to continue her doctoral thesis research and, in particular, to utilize certain CMV data which contained natural histories of mothers and children who had contracted CMV.

Briefly stated, the facts, as presented in the Plaintiff's complaint, are as follows. Dr. Berge claims that in 1986 Dr. Sergio Stagno, a researcher in the Pediatrics Department at UAB, encouraged her to conduct a portion of her dissertation research at UAB with the promise that she would have exclusive access to all relevant CMV data until her analysis of it was complete and that all of her work products would be kept confidential. Upon her arrival at UAB, Dr. Berge discovered that no case-control studies had been performed on the data and, thereupon, designed one, developing questionnaires, reviewing files, abstracting information, and presenting the completed epidemiological study to UAB's Biostatistics Department for computerization. Dr. Berge strenuously asserts that no researcher had ever performed such an extensive epidemiological study on the UAB CMV data.

In August 1987 Dr. Berge returned to Cornell, her analysis of the data complete and stored on several computer tapes in the form of data sets. She claims that, in reliance on Dr. Stagno's promise that her data evaluation work would be protected, she shared her work product, including the data sets, thesis drafts, article abstracts, and methodologies with the Defendants. According to Dr.

Berge, in June 1988, almost one year after her departure from UAB and after ten months of analyzing the newly compiled and computerized data, developing methodologies for its evaluation, and obtaining conclusions with regard to sequelas, nutrition, and vaccination, Defendant Dr. Karen Fowler, then a second year graduate student at UAB, approached Defendant Dr. Robert Pass, also a researcher in the Pediatrics Department, for advice on suitable topics for her doctoral thesis. Dr. Berge claims that, in essence, Dr. Pass suggested to Dr. Fowler that she study CMV infections and, additionally, that she conduct a case-control study identical to the one Dr. Berge had completed and was in the process of developing into a doctoral thesis.

In the Fall of 1989, Dr. Berge sent copies of her completed thesis to Drs. Stagno, Pass, and to Defendant Dr. Charles Alford. She further contends that a copy of it was given by the Defendants to Dr. Fowler for her review. With that, Dr. Berge maintains that Dr. Fowler was able to plagiarize her work, including, *inter alia*, her approach to CMV transmissions, her methodology, which was recently developed at Cornell University by her and her advisers, portions of her data, and other results and conclusions. Dr. Fowler is accused of having used this material in her 1990 dissertation and in two seminal articles published by her in the Journal of Infectious Diseases in 1991 and 1993.

Dr. Berge also charges that UAB, through the researchers who are individual defendants in this litigation, obtained funding from the National Institutes of Health ("NIH"), by making false claims in various grant applications for project HD-10699 over several years. The purpose of NIH grant HD-10699 was to study the factors causing transmission of CMV from mother to child and, from those factors, develop conclusions about the viability and effectiveness of vaccinating those mothers who contracted CMV. Prior to Dr. Berge's arrival at UAB in

1987, HD-10699 had been funded for approximately eleven years, the latest grant application for additional yearly funding having been prepared by UAB in 1986 or early 1987 in application HD-10699-11. Dr. Berge alleges that in HD-10699-11 and in subsequent applications submitted yearly, HD-10699-12 through 17, UAB misrepresented the status of its project to computerize the raw CMV data it had collected over the years, falsely reported the extent of its development of an epidemiological study, omitted references to arguably contradictory conclusions about vaccination and nutrition, and generally touted work done by Dr. Berge as its own.

II. *Procedural Background*

On February 1, 1995, this Court granted Plaintiff's motion for leave to file an amended complaint. The amended complaint, now the subject of the instant motion, states four [2] causes of action as against a total of five defendants, namely, UAB, Dr. Alford, Dr. Stagno, Dr. Pass, and Dr. Fowler. Those claims, and the defendants against whom they are asserted are:

i) False Claims Act violations as against UAB, Drs. Pass, Stagno, and Alford;

ii) Fraud as against Drs. Stagno and Pass in their individual capacity;

iii) Misappropriation of Intellectual Property as against Drs. Stagno, Pass, Alford, and Fowler in their individual capacity; and

iv) Tortious Interference with Contractual Relations and Prospective Economic Advantage as against

[2] The amended complaint in the record actually contains six claims for relief. The two now absent from this litigation are the civil RICO and outrage counts which Plaintiff abandoned in her Reply to Opposition to Motion to Amend. *See* Court Memorandum and Order of February 1, 1995, at 3 n.2.

> Drs. Stagno, Pass, Alford, and Fowler in their individual capacity.

See Complaint. After setting forth the relevant standard for summary judgment, the Court shall consider *seriatim* Defendants' arguments with respect to each claim.

III. *Summary Judgment*

Rule 56(c) of the Federal Rules of Civil Procedure provides that:

> [Summary judgment] shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgement as a matter of law.

Fed. R. Civ. P. 56(c). The moving party has the burden of showing that there is no genuine dispute as to material fact. *Celotex v. Catrett,* 477 U.S. 317, 322 (1986); *Adickes v. S. H. Kress & Co.*, 398 U.S. 144, 157 (1970). Once the moving party has met its initial burden, the nonmoving party must set forth specific facts showing the existence of a genuine issue for trial. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250 (1986); *Adickes*, 398 U.S. at 160 n.22.

In deciding the motion, this Court must view the material facts and the inferences properly drawn therefrom in the light most favorable to the nonmoving party. *Anderson*, 477 U.S. at 255; *Adickes*, 398 U.S. at 158-59. Summary judgment is inappropriate, even where there is no dispute as to the basic facts, if the parties disagree on the inferences that may be drawn from the undisputed facts. *Morrison v. Nissan Co. Ltd.*, 601 F.2d 139, 141 (4th Cir. 1979). The substantive law identifies those facts, or inferences therefrom, that are material and also identifies the standard of proof against which the presence or ab-

sence of material factual dispute is to be gauged. *Anderson*, 477 U.S. at 248.

As stated by the Supreme Court, however, this does not mean that any factual dispute will defeat the motion:

> By its very terms, this standard provides that the mere existence of *some* alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact.

Anderson, 477 U.S. at 247-48 (1986) (emphasis in the original).

The Supreme Court has explained that the Rule 56(c) standard mirrors the standard for a directed verdict under Rule 56(a): ". . . there is no issue for trial unless there is sufficient evidence favoring the nonmoving party for a jury to return a verdict for that party." *Anderson*, 106 S. Ct. at 247; *White v. Rockingham Radiologists, Ltd.*, 820 F.2d 98, 101 (4th Cir. 1987). "The party opposing a properly supported motion for summary judgment may not rest upon mere allegations or denials of its pleading, but must set forth specific facts showing that there is a genuine issue for trial." *Rivanna Trawlers Unlimited v. Thompson Trawlers, Inc.*, 840 F.2d 236, 240 (4th Cir. 1988).

Further, the Court has an affirmative obligation to prevent factually unsupported claims and defenses from proceeding to trial. *Felty v. Graves-Humphreys Co.*, 818 F.2d 1126, 1128 (4th Cir. 1987), *citing Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). "[A] defendant . . . should not be required to undergo the considerable expense of preparing for and participating in a trial" unless the plaintiff has produced "evidence on which a jury might rely" in support of the claim alleged. *E. F. Hutton Mortgage Corp. v. Equitable Bank, N.A.*, 678 F. Supp. 567, 573

(D. Md. 1988). Accordingly, the moving party is entitled to summary judgment when the nonmoving party has failed to make a sufficient showing on an essential element of its case with respect to which it has the burden of proof. *Celotex*, 477 U.S. at 323. "If the evidence is merely colorable or is not significantly probative, summary judgment may be granted." *Anderson*, 477 U.S. at 249-50.

IV. *False Claims Act*

Dr. Berge's first claim is brought under the False Claims Act ("FCA"), 31 U.S.C. § 3729, *et seq.*, which states, in relevant part, that a person shall be liable to the United States government for civil penalties of three times the amount of damages sustained by the government and costs of the action, if that person:

> 1) knowingly presents, or causes to be presented, to an officer or employee of the United States Government or a member of the Armed Forces of the United States a false or fraudulent claim for payment or approval; [or]
>
> 2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government.
>
> * * *.

31 U.S.C. § 3729(a)(1) and (2). Although the Department of Justice declined to intervene in this litigation, Plaintiff pursues the FCA claim *qui tam* and seeks recovery under § 3730(d) in the amount of not less than 15% but not more than 25% of the overall damage proceeds if any are awarded.

A. *Statute of Limitations*

Plaintiff's FCA claim relating to HD-10699-11 and subsequent applications is not barred in time by either of the

statute's limitations provisions as set forth in 31 U.S.C. § 3731(b)(1) and (2) (as amended, October 1986).[8] Indeed, the six-year statute of limitations, *see* § 3731(b)(1), begins to run when the claim is paid, not when it is made. *See U.S. ex. rel. Kreindler § Kreindler v. United Technologies Corp.*, 985 F.2d 1148 (2d Cir.), *cert. denied*, 113 S. Ct. 2962 (1993). Defendants do not dispute that payments on grant petition HD-10699-11 were issued by the federal government after it forwarded its Notice of Grant Award on June 29, 1987. Dr. Berge filed suit in this Court in January 1993, well within six years of the first grant payment by the NIH.

Similarly, Defendants' alternative argument that the three-year limitations period in § 3731(b)(2) should act as a bar to Dr. Berge's claim must fail. Section 3731(b)(2) has been construed to mean that a plaintiff must file her civil case within three years of the date that the government first learns of the alleged violation. *U.S. v. Macomb Contracting Corp.*, 763 F. Supp. 272, 274 (M.D. Tenn. 1990). Here, Dr. Berge served her suit on the Department of Justice shortly after filing it under seal in this Court in January 1993.

B. *FCA Misrepresentations*

The Court is persuaded that Plaintiff has created sufficiently material disputes of fact to overcome Defendants'

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[8] This section provides that a civil action under Section 3730 may not be brought:

(1) more than 6 years after the date on which the violation of section 3729 is committed, or

(2) more than 3 years after the date when facts material to the right of action are known or reasonably should have been known by the official of the United States charged with responsibility to act in the circumstances, but in no event more than 10 years after the date on which the violation is committed;

whichever occurs last.

31 U.S.C. § 3731(b).

motion for summary judgment as to Dr. Berge's FCA claims. Contrary to Defendants' position, Dr. Berge's general charge that false claims were made to the NIH over the course of several years is substantiated by enough specifically identified facts, and inferences drawn therefrom, to satisfy her burden as the nonmovant. By way of caution, the Court notes that its discussion below covers only the major points in contention and is not meant to be an exhaustive analysis of the case as a whole. Recognizing that there may be more ways than those addressed below in which NIH grant applications have common claims or allegations, the Court's discussion is not meant to serve as a limitation on how the FCA claims are to pursued at trial but, rather, as a general guide through them.

1. *HD-10699-11*

The focus of Dr. Berge's FCA claim about grant application HD-10699-11 and, therefore, the controlling factual dispute pertaining thereto, bears on UAB's statements concerning the extent and nature of its computerization of CMV data and its alleged "ongoing" work in that area.[4] The question before the Court appears to be whether UAB falsely claimed to have conducted more of a systematic collection of longitudinal data than it had, performed more extensive computer consolidation and unification data work than in fact it had done, and whether the data itself was less expansive in scope than as alleged in the grant application. The Court shall not list the numerous conflicting factual assertions on these points as embodied in the various affidavits and exhibits provided by the parties but notes simply that these issues of fact are now relegated to the measured judgment of the trier of fact.[5]

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[4] Dr. Berge repeats this charge in her allegations relating to the remaining progress reports, namely, HD-10699-12 through 17.

[5] Whether it was UAB that performed "ministerial tasks" vis a vis the computerization, or whether it was Dr. Berge whose role

2. *HD-10699-12*

The principal false claims alleged to have been made in HD-10699-12 relate to a case-control study UAB professed it had conducted and to UAB's references to Dr. Berge's work without proper attribution. Defendants' argument that in 1989 Dr. Berge herself referenced Dr. Stagno in her paper for his intellectual contributions and assistance does not undermine Plaintiff's position. The central issue is who developed, performed, and was given or took credit for the ideation and execution of the case-control study. To the extent that the UAB researchers' statements create an inference that it was they, and not Dr. Berge, who invented and conducted the study, and that such representations constitute an FCA violation, this Court finds it proper to leave further disposition of these matters to the trier of fact.[6]

3. *HD-10699-13 and 14*

In years 13 and 14 of the grant, in addition to reporting on the disputed development of the CMV data, UAB made reference to and quoted two paper abstracts researched and prepared by Dr. Berge. Although Defendants appear to have credited authorship to her, Dr. Berge complains that, this time, the false claims relate to inconsistent or contradictory conclusions about the risks of vaccination.

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was "clerical in nature" is, clearly, a factual issue. *Compare* Opposition to SMSJ at 2, *with* Reply to Opposition to SMSJ at 6.

[6] Defendants provide little or no evidence in support of their assertion that UAB had previously performed a case-control study and that Dr. Berge admitted as much. Not only did they fail to furnish the referenced page of Dr. Berge's deposition, *see* Reply to Opposition to MSJ at 9, but, had they done so, the Court would still find the evidence before it to create a material dispute of fact about the individuals responsible for the case-study at issue and, indeed, whether UAB had in fact conducted a case-control study prior to Dr. Berge's arrival there.

Briefly stated, Dr. Berge maintains that her data findings contained in her abstracts directly contradicted UAB's hypothesis that vaccination may be an effective tool in preventing the passage of CMV infections from mothers to children. More specifically, she claims that her data tended to show that vaccination, the principal aim of UAB's grant research, might have a significant downside risk to it,[7] thus reducing its success as a measure against infection. Although the researchers cited the abstracts, Dr. Berge argues that they deliberately failed to report the data findings therein because they were known to contradict the purpose of their goals. Those goals were, according to Dr. Berge, to prove the viability of vaccination as premised on the belief that significant sequelae mostly would occur in children of mothers with primary infections.

Defendants not only disagree with the scientific conclusions Dr. Berge draws from her data but also deny the allegations, should her scientific conclusions be correct, that they concealed those conclusions or, for that matter, that they did so deliberately. Although the ultimate strength of Dr. Berge's contentions regarding the so-called vaccine misrepresentations might turn out to be questionable, the Court does find there to have been generated an issue of fact and, as such, one properly resolved by a jury.

It is Defendants' position that articles published by them in 1982 and 1986 and their statements regarding European research suggest the absence of an intent to deceive. Dr. Berge responds that her strongly contradictory data, which was produced after the publication of

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[7] Her data allegedly shows that a fair percentage of mothers with reactivated infections do pass CHV to their children who then suffer significant sequelae, among them low birth weight. Because a vaccine would mimic a mother's natural immunity to the infection, otherwise exhibited by reactivation, the potential risks of a vaccination program, according to Dr. Berge's data, would be significant.

those articles, provided sufficient cause for the Defendants to disclose the fact data uncovered at their own institution contravened their hypotheses. Although the Court has before it only Dr. Berge's dissertation data, and not that of the abstracts, a material dispute of fact has been created by Dr. Karla Damus' deposition testimony raising questions about the integrity of the grant application in this respect at the time of her examination of it as an NIH reviewer. Opposition to SMSJ, Exhibit A2.

Last, the researchers' reliance on case law stating that failure to disclose a differing scientific opinion is not the equivalent of a false claim is inapposite. Dr. Berge's claim is not that the Defendants concealed an opposing scientific opinion. Rather, she charges that they failed to report research data which not insignificantly contradicted their hypotheses and, ultimately, negated the purpose of their funding.

4. *HD-10699-13 through 17*

The basis of Dr. Berge's FCA charge against the Defendants with respect to their statements in grant applications HD-10699-15 through 17, as well as HD-10699-13 and 14, is, generally, misappropriation and lack of attribution. This claim, for purposes of summary judgment, has been substantiated sufficiently. Taking into consideration Dr. Berge's testimony with that offered by her experts, the Court finds that a reasonable juror could find in favor of Dr. Berge. Indeed, there is enough evidence from which to conclude that UAB received funding through the use of Dr. Fowler's thesis which, allegedly, heavily plagiarized Dr. Berge's own work.

In conclusion, the Court agrees with Dr. Berge that her claims predicated on applications HD-10699-16 and 17 are not barred. That the dean of academic affairs and the vice president for research at UAB should have determined, respectively, in November 1990 and May 1991, that no plagiarism had occurred is hardly the kind of evi-

dence that renders Dr. Berge's accusation meritless. Without putting into doubt the sincerity of the two administrators' opinions, they are not any more dispositive of the Defendant researchers' knowledge and intent than are the opinions and conclusions of, for example, Dr. Berge's experts. *See, e.g.*, Opposition to MSJ, Exhibit E-1. For this same reason, Defendants' contention that the government's knowledge, the extent of which is a matter in dispute, of Dr. Berge's allegations of plagiarism broke the causal chain in the FCA claims for HD-10699-16 and 17 must also fail.

Accordingly, Defendants' motion for summary judgment as to Dr. Berge's FCA claim shall be denied.

V. *Immunity*

Because Dr. Berge has abandoned her state-law claims against UAB, Defendants' Eleventh Amendment and sovereign immunity arguments are mooted. The Court turns next to the question whether sovereign immunity is a defense against Dr. Berge's state-law claims against the individual researchers. The heart of Defendants' position is that, pursuant to *DeStafney v. University of Alabama*, 413 So.2d 391 (Ala. 1981), and the *Restatement (Second) of Torts* § 895D, Public Officers (1974), Alabama law currently dictates that so long as the UAB researchers exercised a discretionary function they are cloaked by qualified or substantial immunity even for the commission of intentional torts.[8] Defendants rely on *Parker v. Downing*, 547 So.2d 1180, 1184-85 (Ala. Civ. App.), *cert. denied*, 547 So.2d 1185 (Ala. 1985), as additional support for this proposition.

Where a state law claim is asserted against an individual state agent or officer, a court must first determine whether the action is in fact a suit against the State and thus is

[8] The parties are in agreement that the applicable law for these claims is Alabama State law.

blocked by absolute immunity.[9] *See Milton v. Espey*, 356 So. 2d at 1202. Dr. Berge is seeking damages for fraud, misappropriation of intellectual property, and tortious interference with business relations against the individual Defendants as individuals and not against the State. Accordingly, the nature of the suit and the relief sought indicate that a judgment against them would not "directly affect a contract or property right of the State," and therefore the action is not equivalent to an action against the State of Alabama. *Id.*

In determining whether the Defendant researchers' actions are otherwise protected by qualified or substantial immunity, this Court finds that Defendants' reliance on *Parker* and the Restatement is misplaced. First, for procedural reasons the intermediate appellate court in *Parker* did not reach the issue of whether the Restatement could be applied to intentional torts in the manner advanced by Defendants. Second, although the court did note that *DeStafney* had created another mode by which state constitutional immunity, *i.e.* substantial immunity, could be obtained, this Court concludes that the Alabama Court would find the intentional conduct such as that alleged in the instant suit not to be protected.

The Alabama Supreme Court has noted that where a state officer has acted willfully, maliciously, illegally, fraudulently, in bad faith, beyond his authority, or under a mistaken interpretation of the law, he will not be protected by absolute or qualified immunity. *See, e.g., Philips v. Thomas*, 555 So.2d 81, 82 (Ala. 1989) and cases cited therein. Similarly, in *Pack and RDC Builders v. Blankenship*, 612 So.2d 399 (Ala. 1992), *reh'g denied* (1993),

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[9] Section 14 of the Alabama Constitution (1901), provides that "the State of Alabama shall never be made a defendant in any court of law or equity." Moreover, Section 14 "not only prevents a suit against the State, but aaginst its officers and agents in their official capacity, when a result favorable to the plaintiff or complainant would directly affect a contract or property right of the State." *Milton v. Espey*, 356 So.2d 1201, 1202 (Ala. 1978).

the court quoted *Milton v. Espey*, 356 So.2d at 1203, at length and noted that the defendant would not be immune from suit on the plaintiff's claims of fraudulent misrepresentation and fraudulent concealment. Like the claims in the above cases, the essence of Dr. Berge's claims of fraud, misappropriation of intellectual property, and tortious interference with business relations is that the Defendants "acted fraudulently and in bad faith." *Pack and RDC Builders v. Blankenship*, 612 So.2d at 402. Accordingly, the Defendants are not protected by Section 14. *Id.*[10]

VI. *State-Law Claims*

A. *Fraud*

The fraud claim against Drs. Stagno and Pass focuses on Dr. Stagno's alleged misrepresentations, at the start of Dr. Berge's research in 1987, that she would have access to all of UAB's relevant data, that her access would be exclusive during the course of her research, and that her statistical methods, data, and work products would be kept confidential.[11] Dr. Berge charges that Dr. Stagno allowed other scientists to have access to her work and himself misappropriated it for improper use in NIH grant applications submitted after her return to Cornell University.

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[10] This approach provides the Court with the narrowest basis for decision as it is not called upon to consider whether the Alabama Supreme Court would apply the Restatement's discretionary function analysis to all intentional torts.

[11] Dr. Berge offers as support for this contention Dr. Stagno's statement in a June 1987 letter written by him to Dr. Jean-Pierre Habicht, her thesis advisor at Cornell University:

> [i]t is further understood that for as long as [Dr. Berge] is actively involved in the analysis of these data sets no other investigation can be initiated. Any additional studies after Pamela has completed her analysis would have to be negotiated with us.

MSJ, Exhibit T at 1.

Notwithstanding Dr. Berge's assertions to the contrary, her claim shall be considered by the Court as one of promissory fraud, not ordinary fraud. The complaint does not state, nor can it be construed as stating, a charge that Drs. Stagno and Pass made misrepresentations of present fact to her about the matters described above. *See* Opposition to SMSJ at 19. Rather, as Defendants correctly argue, the deceit, if any, involved matters promissory in nature only. *See Pinyan v. Community Bank*, 644 So.2d 919, 922-23, *reh'g denied*, (Ala. 1994).

In order to maintain a claim for promissory fraud under Alabama law, Dr. Berge must show that the Defendants: i) made a false statement; ii) of an existing material fact; iii) that was justifiably relied on by Dr. Berge; iii) with damage proximately caused; and that v) at the time the misrepresentations were made, the Defendants had the intention not to perform the promised acts and vi) had the intent to deceive. *Id.* at 923; *Udcoff v. Freidman*, 614 So.2d 436, 439 (Ala. 1993); *Armstrong v. Flowers Hosp., Inc.*, 812 F. Supp. 1183 (M.D. Ala. 1993), *aff'd*, 33 F.3d 1308 (11th Cir. 1994). Furthermore, failure to perform the alleged promise may not be considered evidence of fraudulent intent. *Pinyan*, 644 So.2d at 923-24; *Udcoff*, 614 So.2d at 439. All six elements must be shown by substantial evidence to withstand a motion for summary judgment. *Armstrong*, 812 F. Supp. at 1192.

In an effort not to rely solely on Dr. Stagno's alleged failure to fulfill his promises as the necessary proffer of evidence of fraudulent intent, Dr. Berge directs this Court's attention to portions of Dr. Stagno's deposition testimony as evidence that he "never intended to keep the data set secret." Opposition to SMSJ at 20; *Id.*, *Exhibit* A1 at 145-50. While Dr. Stagno's testimony may suggest that, at some later point in time, he considered outside requests for the data, it is not indicative of an intent not to perform the promises at the time he allegedly made them. In addition, his testimony fails entirely to reveal, either directly

or circumstantially, a present intent to deceive, the sixth element required for promissory fraud under Alabama law.

Accordingly, Defendants' motion for summary judgment shall be granted as to Plaintiff's fraud claim.

B. *Misappropriation of Intellectual Property*

In her opposition memoranda, Dr. Berge asserts three legal theories for her state-law claim of misappropriation of intellectual property: i) conversion; ii) larceny;[12] and iii) misappropriation of intellectual property as predicated on common-law and on the Alabama Trade Secrets Act ("Trade Secrets Act"). *See* Ala. Code § 8-27-1, *et seq.* (1975, Cum. Supp. 1994). In general, she asserts ownership over the computerized data tapes, questionnaires, ideas, and writings which flowed from the information she analyzed at UAB. Opposition to MSJ at 40.

Defendants argue that summary judgment in their favor is proper on the conversion claim because there is no evidence that Dr. Berge owned and that Dr. Fowler used the property allegedly delivered to her by Drs. Stagno and Pass. Additionally, they contend that Alabama law no longer recognizes the common-law tort of misappropriation of intellectual property and that Dr. Berge's claim under the Trade Secrets Act is preempted by the federal Copyright Act of 1976. *See* 17 U.S.C. § 101, *et seq.* (1976). Insofar as her claim is valid under the Trade Secrets Act, Defendants maintain that it fails to meet its definitional requirements and, furthermore, is barred by the applicable two-year statute of limitations.

1. *Conversion*

To establish conversion under Alabama law, a plaintiff must show either: i) a wrongful taking; ii) an illegal

[12] Larceny is a criminal violation. As such, it may not form a basis for this civil suit.

assumption of ownership; iii) an illegal use or misuse of another's property; or iv) a wrongful detention or interference with another's property. *See Huntsville Golf Development, Inc. v. Ratcliff, Inc.*, 646 So.2d 1334, 1336 (Ala. 1994); *Covington v. Exxon Co.*, 551 So.2d 935 (Ala. 1989). Additionally, ideas and information, as well as tangible property, may be the subject of conversion.[13] *See, e.g., National Surety Corp. v. Applied Systems, Inc.*, 418 So.2d 847 (Ala. 1982); *Alfa Mutual Ins. Co. v. Veal*, 622 So.2d 1292, 1296 (Ala. 1993) (citing cases of conversion of intangible property).

For purposes of summary judgment on conversion, Dr. Berge has shown there to be a material dispute of fact about the unlawful use of the data tapes and questionnaires (the basis for the retrospective study), and the unlawful use of her ideas and writings. To the extent that the question of ownership[14] has been narrowed to that of ownership of the data sets, there is, at the very least, a question of fact about whether ownership existed and whether such ownership was, if not permanent, temporary in nature.

While Defendants do not seem to dispute Dr. Berge's ownership of her dissertation and the writings and certain ideas therein, they take issue with, for example, any asserted ownership of the methodology for data analysis it employed.[15] Dr. Berge has not responded to this argu-

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[13] Defendants do not contest this reading of Alabama law.

[14] Ownership, of course, may involve title or merely a showing of an existing property interest. *National Surety*, 418 So.2d at 849.

[15] The full extent of Dr. Berge's misappropriation charge appears in her affidavit:

> The defendants took my confidential work products and used them. I read Dr. Fowler's thesis in November 1990. She used my approach on the same topic—CMV transmission, mother to child, methodology developed by me, large portions of the data originally collected/compiled by me and replicated results

ment. However, inasmuch as her response to it is incorporated in her rebuttal to Defendants' arguments concerning the data sets, *see* Opposition to SMSJ, Exhibit E, Exhibits 1-3, this Court shall deny summary judgment.

2. *Alabama Trade Secrets Act*

The Alabama Supreme Court has determined that Alabama's common-law tort of misappropriation of intellectual property has been replaced by enactment of the Trade Secrets Act in 1987. Long after its opinion in *Drill Parts & Service Co. v. Joy Mfg. Co.*, 439 So.2d 43 (Ala. 1983), which was written before passage of the Trade Secrets Act and erroneously relied on by Dr. Berge, the court stated with no measure of ambiguity:

> However, we do not agree * * * that Allied could pursue both statutory and common law theories of recovery for the defendants' alleged misappropriation of "trade secrets" or confidential documents. The Alabama Trade Secrets Act "is intended to both codify and to modify the common law of trade secrets in Alabama." The committee's comments to the Act indicate that the legislature intended for the Act to replace common law tort remedies for the misappropriation of trade secrets, while leaving existing contract remedies or safeguards in place.

Allied Supply Co. v. Brown, 585 So.2d 33, 37 (Ala. 1991) (citations omitted). Thus, Dr. Berge's claim of misappropriation of intellectual property, inasmuch as it is predicated on the common law, must fail.

Defendants vigorously argue that federal copyright law preempts an action brought pursuant to the Trade Secrets

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and conclusions originally reported by me in my Ph.D. dissertation in 1989. She plagiarized large sections of my work into her thesis and two articles she had published in the Journal of Infectious Diseases in 1991 and 1993.

Opposition to MSJ, Exhibit A at 6.

Act. The Court disagrees. As noted by the Fourth Circuit Court of Appeals, preemption is avoided where a state statute, such as the Trade Secrets Act:

> incorporate[s] elements beyond those necessary to prove copyright infringement, and * * * regulate[s] conduct qualitatively different from the conduct governed by federal copyright law.

Trandes Corp. v. Guy F. Atkinson Co., 996 F.2d 655 (4th Cir.), *cert. denied*, 114 S.Ct. 443 (1993). This requirement, known as the "extra element" test, has been satisfied in the instant case.

The Trade Secrets Act states that misappropriation of a trade secret will occur where a person either: i) discovers a trade secret by improper means; ii) discloses or uses it in a manner that breaches a confidence; iii) learns of it from a third person and knows it is a trade secret or that it was appropriated under circumstances violative of (i) and (ii); or iv) learns the information and knows or should know that it is a trade secret and its disclosure was made by mistake. Ala. Code § 8-27-3. In accordance with *Trandes*' holding that the essential element of a misappropriation claim is the " 'abuse of confidence or impropriety in the means of procurement," this Court concludes that Dr. Berge's claim under the Trade Secrets Act is qualitatively distinct from a claim of copyright infringement. 996 F.2d at 660; *see also Avtec Systems, Inc. v. Peiffer*, 21 F.3d 568 (1994).[16]

Notwithstanding Defendants' contention that Dr. Berge had no trade secret to protect because she did not own the

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[16] The Court finds unavailing Defendants' argument that the conduct regulated by the Trade Secrets Act in this case is not different from that regulated by copyright law. Reply to Opposition to MSJ at 15-16. The gravamen of Dr. Berge's complaint is the unlawful use of data which was hers and which was not to be publicly disseminated until she saw fit. Thus, until such time, the data base was meant to be kept secret.

methodology at issue and because the data sets readily could be ascertained and derived from other available information, the Court is of the opinion that a trade secret has, indeed, been established sufficiently to overcome the instant motion. The Trade Secrets Act defines a trade secret to mean information that:

i) is used or intended for use in a trade or business;

ii) is included or embodied in a formula, pattern, method, technique, compilation, computer software, drawing, device, method, technique, or process;

iii) is not publicly known and is not generally known in the trade or business of the person asserting that it is a trade secret;

iv) cannot be readily ascertained or derived from publicly available information;

v) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; and

vi) has significant economic value.

Ala. Code § 8-27-2(1). They very core of Dr. Berga's claim is that her particular research and analysis of UAB's available data yielded a noval data set producing unique scientific conclusions. Considering the evidence before the Court, Dr. Berge has satisfied her burden on element (iv). She has shown a substantial research investment was required of her in order to obtain the information which, therefore, may be described as being neither "readily ascertained [nor] derived from publicly available information." *Public Systems, Inc. v. Towry*, 587 So.2d 969, 972 (Ala. 1991).

Although not preempted by copyright law and otherwise viable under the Trade Secrets Act, Dr. Berge's misappropriation claim is, in part, barred by the Statute's two-year limitations provisions. Section 8-27-5 provides that:

> An action for misappropriation must be brought within two years after the misappropriation is discovered or by the exercise of reasonable diligence should have been discovered.

Ala. Code § 8-27-5. Dr. Barge concedes that she became aware of the alleged acts of misappropriation of her dissertation materials in 1990, more than two years before filing suit in this Court. Opposition to SMSJ at 22; Reply to Opposition to MSJ, Exhibit H.

Dr. Berge now argues, however, that charges that Dr. Fowler misappropriated her work for inclusion in articles published in 1991 and 1993 [17] are not barred by the statute. The Court agrees. Contrary to Defendants' statements, *see* Reply to Opposition to SMSJ at 14, the Court does not understand Dr. Berge to concede having learned of Dr. Fowler's 1991 and 1993 articles before two years prior to her filing this suit on January 15, 1993.

Accordingly, Defendants' motion for summary judgment shall be granted in part and denied in part as to Plaintiff's misappropriation of intellectual property claim. Specifically, summary judgment shall not be granted on the claim as it is grounded on: i) conversion; and ii) Trade Secrets Act violations as to Dr. Fowler's 1991 and 1993 articles. Otherwise, judgment on those aspects of the claim that involve larcency and Plaintiff's dissertation under the Trade Secrets Act shall be granted in favor of Defendants.

c. *Intentional Interference with Business Relations*

Dr. Berge claims that Drs. Stagno, Pass, and Alford interfered with her employment relations at New York University ("NYU"), and that Dr. Stagno intentionally impeded her continued collaboration with Yale University researchers. Likewise, she asserts that the Defendants, by their actions, blocked the publication of her articles and

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[17] *See* Opposition to SMSJ, Exhibits G and H.

generally have interfered with her professional advancement in her field of research.

Defendants take issue with the validity of Dr. Berge's allegations about their interference with her employment at NYU, where she had been an assistant professor for three months before being discharged. The only evidence presented in support of that contention is the following account she offers in an affidavit:

> My chairman, Dr. Wade Parks, strongly suggested that I drop my claims against defendants Alford, Pass, and Stagno, and told me it would harm me professionally if I didn't. Dr. Parks told me he was in communication with them on this issue. Several months later I was given notice of my termination from NYU.

Id. at 6-7. In her deposition, however, the following colloquy ensued:

> Q: What reasons were you given for the termination?
>
> A: I believe there weren't any specific reasons.
>
> Q: No one gave you any specific reasons?
>
> A: I wasn't given a specific reason why I was terminated.
>
> Q: Do you have any idea why you were terminated?
>
> (Objection)
>
> A: I can't speculate.
>
> * * *
>
> Q: Were you surprised to learn that you were being terminated?
>
> A: I was quite shocked.
>
> Q: Did you make any inquiries as to why it was happening?
>
> A: We had discussed, we had discussed the situation. Dr. Parks said that NYU was not the right place for me. I'm not really sure what the real reasons were.

Q: What were the reasons he gave you?

A: He gave me excellent feedback on the quality of my work, the quality of my proposal writing. He wanted me to let this Alabama thing go.

Q: What did he tell you about his desire to let the Alabama thing go?

A: That the wished that I could just drop it.

Q: Did he tell you why?

A: No. I don't think that he gave me specific reasons why. I think it just would have been desirable to just let it go away.

MSJ, Exhibit 1 at 479-82.

The Court agrees with Defendants that Dr. Berge has not provided sufficient evidence with which to overcome a motion for summary judgment on the interference with business relations claim. The parties agree that Alabama law requires that a plaintiff satisfy the following elements:

i) the existence of a contract or business relation;

ii) the defendant's knowledge of the contract or business relation;

iii) intentional interference by the defendant with the contract or business relations;

iv) damage to the plaintiff as a result of the defendant's interference.

Utah Foam Products, Inc. v. Polytec, Inc., 584 So.2d 1345, 1352-53 (Ala. 1991). Since *Utah Foam*, however, the Alabama Supreme Court has recognized an additional element to the tort, namely that the plaintiff show some evidence of fraud, force, or coercion on the defendant's part. *Joe Cooper & Assoc. v. Central Life*, 614 So.2d 982, 986 (Ala. 1992) and cases cited therein.[18]

[18] Contrary to Defendants' belief, justification for the interference is an affirmative defense that must be pled by a defendant. *Id.* at 987.

Without more, Dr. Berge's allegations and statements about the circumstances surrounding the loss of employment at NYU are not suggestive of the kind of interference necessary to satisfy the third element of the instant claim. Dr. Berge fails to indicate and give evidence of the manner, if any, in which the Defendant researchers in fact made a concerted effort to interfere with her current position and possibilities of advancement at NYU. Dr. Berge's own affidavit supports nothing more than the inference that Dr. Parks was in communication with Drs. Stagno, Pass, and Alford and was concerned with her ongoing claims against them. This, however, is not evidence of misconduct on the part of Drs. Stagno and Pass and does not, when considered as against her deposition testimony, raise a sufficient inference that the UAB researchers pressed their case to Dr. Parks in a fraudulent or coercive manner.

Dr. Berge's deposition testimony, as quoted above, evidences her own lack of certainty as to the UAB researchers' responsibility for her termination. Although communicating her belief that she was discharged for reasons that were in some fashion related to her claims against UAB, Dr. Berge clearly was unwilling to "speculate" further about the specific causes. Her continuing testimony reveals uncertainty as to "what the real reasons were" for the termination. Dr. Berge's implication that Dr. Parks was troubled by the institution and maintenance of her claims is wholly insufficient evidence of Drs. Stagno's and Pass' intent to interfere with her relations with NYU.

Last, Dr. Berge's complete failure to offer any evidence and, more importantly, any allegation of fraud or deceit with respect to the UAB researchers' communications with NYU and with respect to their purported intent to subvert her employment with NYU makes it impossible for her claim to survive.

Accordingly, Defendants' motion for summary judgment shall be granted as to Plaintiff's claim of intentional inter-

ference with business relations with NYU. However, because Defendants have not met their burden with respect to the remainder of the allegations contained in this claim, judgment otherwise shall be denied.

A separate Order shall Enter

14th March 1995
Date

/s/ Judge Edward S. Northrop
JUDGE EDWARD S. NORTHROP
Senior United States
District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

Civil No. N-93-158

UNITED STATES OF AMERICA, EX REL. PAMELA BERGE,
Plaintiffs

v.

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ALABAMA, *et al.*,
Defendants

ORDER

The Court having considered Defendants' Motion for Summary Judgment, Plaintiff's Opposition thereto, and Defendants' Reply, and in accordance with the attached Memorandum, it is this 14th day of March 1955 by the United States District Court for the District of Maryland, hereby.

ORDERED:

1. That Defendants' Motion for Summary Judgment SHALL BE and HEREBY IS Denied as to Plaintiff's False Claims Act claim (First Claim):

2. That Defendants' Motion for Summary Judgment SHALL BE and HEREBY IS Granted as to Plaintiff's claim of Fraud (Second Claim);

3. That Judgment SHALL BE and HEREBY IS Entered in favor of Defendants on Plaintiff's claim of Fraud;

4. That Defendants' Motion for Summary Judgment SHALL BE and HEREBY IS Denied, in accordance with

page 25 of the attached Memorandum, as to Plaintiff's claim of Misappropriation of Intellectual Property (Third Claim);

5. That Defendants' Motion for Summary Judgment SHALL BE and HEREBY IS Denied, in accordance with page 29 of the attached Memorandum, as to Plaintiff's Claim of Tortious Interference with Business Relations (Fourth Claim); and

6. That the Clerk of the Court mail copies of this Memorandum and Order to all counsel of record.

/s/ Judge Edward S. Northrop
JUDGE EDWARD S. NORTHROP
Senior United States
District Judge

APPENDIX C

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

Civil No. N-93-158

UNITED STATES OF AMERICA, EX REL. PAMELA BERGE,
Plaintiffs

v.

THE BOARD OF TRUSTEES OF THE
UNIVERSITY OF ALABAMA, *et al.*,
Defendants

ORDER

The Court having considered Defendants' Motion for Judgment as a Matter of Law or, in the Alternative, a New Trial, and Plaintiff's Motion for Attorney's Fees, IT IS this 21st day of August 1995, by the United States District Court for the District of Maryland, hereby

ORDERED:

1. That Defendants' Motion for Judgment as a Matter of Law SHALL BE and HEREBY IS Denied;

2. That Defendants' Motion for a New Trial SHALL BE and HEREBY IS Denied;

3. That Ruling on Plaintiff's Motion for Attorney's Fees Pursuant to 31 U.S.C. 3730(d)(2) SHALL BE and HEREBY IS Reserved Pending Appellate Resolution;[1] and

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[1] Defendants have indicated their intent to appeal this Court's rulings.

4. That Copies of this Order SHALL BE Mailed to all Counsel of Record.

/s/ Edward S. Northrop
EDWARD S. NORTHROP
Senior United States District Judge

APPENDIX D

[Filed: March 25, 1997]

UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

No. 95-2811
CA-93-158-N

UNITED STATES OF AMERICA, EX REL. PAMELA A. BERGE,
Plaintiff-Appellee
and
UNITED STATES OF AMERICA
Intervenor
v.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA; ROBERT F. PASS, Professor of Pediatrics; SERGIO B. STAGNO; Professor and Chairman, Department of Pediatrics; CHARLES A. ALFORD, Professor of Pediatrics; KAREN B. FOWLER,
Defendants-Appellants

AMERICAN COUNCIL ON EDUCATION; THE AMERICAN ASSOCIATION OF STATE COLLEGES & UNIVERSITIES; THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES; AMERICAN ASSOCIATION OF COMMUNITY COLLEGES; COUNCIL OF GRADUATE SCHOOLS; THE REGENTS OF THE UNIVERSITY OF MINNESOTA; THE UNIVERSITY OF TEXAS SYSTEM; THE UNIVERSITY OF COLORADO; THE REGENTS OF THE UNIVERSITY OF CALIFORNIA; THE REGENTS OF THE UNIVERSITY OF MICHIGAN; ASSOCIATION OF AMERICAN MEDICAL COLLEGES; EUGENE DONG, M.D., J.D.; ROBERT L. SPRAGUE, M.D., PH.D. JEFFREY F. WILLIAMS, B.V.S.c., M.R.C.V.S., PH.D.; TAXPAYERS, AGAINST FRAUD, THE FALSE CLAIMS ACT LEGAL CENTER
Amici Curiae

On Petition for Rehearing with
Suggestion for Rehearing In Banc

The appellee's petition for rehearing and suggestion for rehearing in banc were submitted to this Court. As no member of this Court or the panel requested a poll on the suggestion for rehearing in banc, and

As the panel considered the petition for rehearing and is of the opinion that it should be denied,

IT IS ORDERED that the petition for rehearing and suggestion for rehearing in banc are denied.

For the Court,

/s/ Patricia S. Connor
Clerk

APPENDIX E

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The United States Constitution provides, in pertinent part:

> In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

U.S. Const. amend. VII.

Rule 50 of the Federal Rules of Civil Procedure provides in pertinent part:

> (a)(1) If during a trial by jury a party has been fully heard on an issue and there is no legally sufficient evidentiary basis for a reasonable jury to find for that party on that issue, the court may determine the issue against that party and may grant a motion for judgment as a matter of law . . .
>
> (b) If, for any reason, the court does not grant a motion for judgment as a matter of law made at the close of all the evidence, the court is considered to have submitted the action to the jury subject to the court's later deciding the legal questions raised by the motion. The movant may renew its request for judgment as a matter of law by filing a motion no later than 10 days after entry of judgment—and may alternatively request a new trial or join a motion for a new trial under Rule 59.

Federal Rule of Civil Procedure 50.

Section 3729 of the civil False Claims Act provides in pertinent part:

> (a) Any person who—
>
> > (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government;
> >
> > . . .
>
> is liable to the United States Government for a civil penalty of not less than $5,000 and not more than $10,000, plus 3 times the amount of damages which the Government sustains because of the act of that person . . . .

31 U.S.C. § 3729.

Section 102 of the Copyright Act provides in relevant part:

> (a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
>
> > (1) literary works;
> >
> > (2) musical works, including any accompanying words;
> >
> > (3) dramatic works, including any accompanying music;
> >
> > (4) pantomimes and choreographic works;
> >
> > (5) pictorial, graphic, and sculptural works;
> >
> > (6) motion pictures and other audiovisual works;
> >
> > (7) sound recordings; and

(8) architectural works.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

17 U.S.C. § 102.

Section 106 of the Copyright Act provides, in pertinent part:

[T]he owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

17 U.S.C. § 106.

Section 301 of the Copyright Act provides in relevant part:

> (a) [A]ll legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103 . . . are governed exclusively by this title. . . [N]o person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.
>
> (b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to—
>
> > (1) subject matter that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression; or
> >
> > . . .
> >
> > (3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106. . . .

17 U.S.C. § 301.